11/25/85

S8340-3

JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 9, Number 10

October 1985

HIGHLIGHTS

Employment up 12,600

Total employment in Washington State increased 12,600 between August and September largely due to seasonal factors. The major development over the month was the beginning of a new school year. Schools and colleges rehired thousands of bus drivers, cafeteria workers and other noncertificated employees who were laid off in June when the regular school year ended. Regional and county fairs also contributed to the expansion, especially the Western Washington Fair in Puyallup. This fair is one of the largest in the nation and provides thousands of temporary jobs during its 17-day run.

	Sept. 1985* (Prel.)	Aug 1985* (Rev.)	Sept. 1984
Civilian Labor Force	2,111,400	2,109,000	2,054,700
Total Employment	1,959,500	1,946,900	1,885,700
Total Unemployment	151,900	162,100	169,000
State Unemployment Rate	7.2	7.7	8.2
National Civilian Unemployment Rate	6.9	6.9	7.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Other developments included seasonal growth in food processing and apple packing and a continuation of the expansion in aerospace. Agricultural employment rose sharply in eastern Washington with the beginning of the apple harvest, but the increase was offset by the end of the raspberry harvest west of the Cascades. Nonagricultural wage and salary employment was up 15,500 over the month.

Employment up 73,800 Over the Year

Although most of the August-September gain in employment resulted from seasonal growth, total employment in the state has expanded at a brisk pace over the year. Total employment at mid-September was up 73,800, or 3.9 percent, over the year. Nationally, total employment advanced 1.8 percent year-to-year, less than half of the growth rate in this state. Nonagricultural wage and salary employment moved up 44,400 in Washington State over the year. Most of the new jobs were in the nonmanufacturing industries, but manufacturing firms added 6,000 workers.

Services Lead Job Expansion

In the nonmanufacturing group, services employment rose 16,300 to post the largest gain over the year. Major growth in the services group was credited to business services and health services. Retail trade establishments contributed 12,600 to the job expansion, with eating and drinking places showing the greatest growth.

Year-to-year increases in other nonmanufacturing industries included gains of 6,200 in construction, 2,600 in wholesale trade and 2,400 in finance, insurance and real estate. Public education was down 8,000 year-to-year, but this partially resulted from the strike by Seattle school teachers. Approximately 3,700 teachers were involved in the dispute. In addition, the delayed beginning of the school year in Seattle postponed the rehiring of cafeteria workers and other noncertificated personnel there. The dispute was settled in late September. The gain in wholesale trade was partially due to an earlier than usual apple harvest; employment at fruit wholesale houses was up substantially over the year in September.

Aerospace Jobs Up 9,000 Over the Year

In the manufacturing industries, aerospace continued to lead the over-the-year expansion with a gain of 9,000 jobs. Fabricated metal products and the canned and preserved foods industry added 1,200 each. Other increases included 600 in printing-publishing, 900 in chemicals and 400 in other durable goods. Year-to-year growth in chemicals occurred largely in the nuclear industry at Hanford.

Lumber Industry Remains Depressed

Partially offsetting gains in manufacturing were over-the-year losses of 3,000 in lumber-wood products, 1,100 in primary metals, and 1,900 in other transportation equipment--largely shipbuilding. The lumber industry remains depressed because of competition from Canada and over-capacity. The drop in metals resulted from depressed aluminum prices stemming from foreign competition and the closure of the Asarco refinery in Tacoma earlier this year. Shipbuilders continue to face a variety of problems--foreign competition, competition from shipyards on the East and Gulf coasts which pay lower wages and a decline in the demand of new ships.

Unemployment Down

Unemployment in Washington State dropped from 162,100 and 7.7 percent of the labor force in August to 151,900 and 7.2 percent in September. The reduction resulted from the seasonal expansion in employment and a decline in the number of unemployed youth. Many jobless youth withdrew from the labor force at the beginning of the school year. The decrease in total unemployment was about normal for this time of the year. The seasonally adjusted jobless rate did edge up, from 8.0 to 8.1 percent, but rates in both months were the lowest in five years.

Unemployment Down More In State Than Nationally

Over the past year, unemployment in Washington State, on an unadjusted basis, declined 17,100, while the jobless rate dropped a full point, from 8.2 to 7.2 percent. The relative reduction in Washington State was considerably greater than that which occurred nationally. For the nation, the jobless rate dropped only two-tenths of a point, from 7.1 to 6.9 percent. The strong expansion in aerospace is partially responsible for the sharper unemployment reduction in the state. Also, the adverse impact of imports in this state is partially offset by jobs created in the state in handling the incoming goods and distributing them around the nation.

Local Area Developments

Apple Harvest Reduces Unemployment In Eastern Washington

Unemployment fell in nearly all areas of the state between August and September. The largest reductions, however, occurred in areas of eastern Washington where the apple harvest was underway. Typical of these areas were Yakima County where the unemployment rate fell from 12.2 to 9.8 percent; Okanogan County where the rate dropped from 16.5 to 13.2 percent; and in the Wenatchee Labor Area, where the jobless rate was reduced from 11.9 to 7.7 percent over the month.

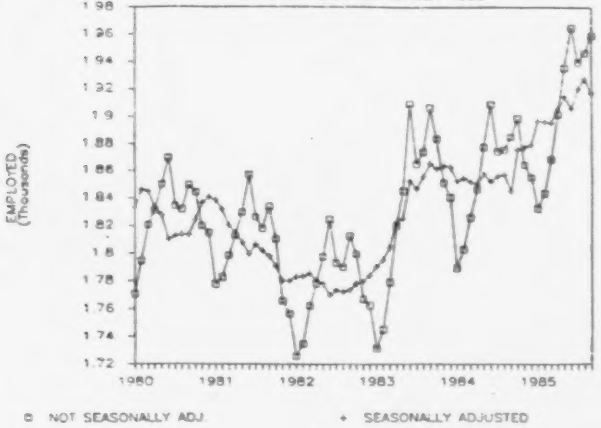
Change In Lumber Areas Mixed

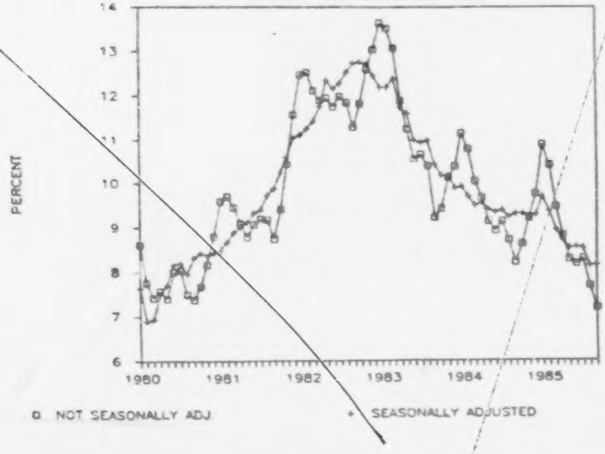
Changes in unemployment in counties with economies largely dependent on the lumber industry turned in mixed results over the month, and their combined rate in September of 10.4 percent was well above the statewide average of 7.2 percent. In Clallam and Cowlitz counties, the jobless rates edged up one-tenth of a point over the month. Jefferson County's rate was unchanged. The rate in Wahkiakum County jumped from 11.7 to 12.5 percent, but, numerically, unemployment in this small county increased only by 10 jobs, from 140 to 150. In other lumber areas, the rate in Grays Harbor County fell slightly, while more sizable reductions were noted in Lewis, Mason, Pacific, Pend Oreille, and Skamania counties.

Seattle's Rate Remains Well Below Nation's

Unemployment rates also dropped in the state's metropolitan areas between August and September, but less than statewide. In the Seattle Metropolitan Area, the jobless rate fell only two-tenths of a point, but at 6.2 percent in September it remained well below the statewide rate (7.2 percent) and the national rate (6.9 percent).

In other major metropolitan areas, Tacoma's rate fell from 8.4 to 8.0 percent, while Spokane's rate dipped from 7.3 to 6.9 percent. In the Tri-Cities area, however, unemployment fell nearly a full point to 7.8 percent in September because of the hiring of temporary construction workers at Hanford.


STATE TOTAL EMPLOYMENT
JANUARY 1980–SEPTEMBER 1985


STATE UNEMPLOYMENT RATE
JANUARY 1980–SEPTEMBER 1985

MANUFACTURING INDUSTRIES

Aerospace Continues to Climb

Aerospace continued its expansion with a gain of 900 in September and the outlook remains promising. The Boeing Company announced that during the first nine months of this year it delivered 143 commercial jets compared with 92 for the corresponding period in 1984. Current schedules include the delivery of 58 additional airplanes in the final quarter of this year. Boeing expects its total sales this year to be about $13.5 billion, up from $10.35 billion in 1984. The firm's order backlog at the end of September was $22.6 billion, up from $22 billion at the end of September 1984. Commercial orders account for 73 percent of the backlog this year; the remainder are orders from the Defense Department.

$2 Billion Order For Boeing

Recent developments include an order in October for 10 Boeing 747-400s and 10 Boeing 757-200s from Northwest Airlines valued at over $2 billion. The aircraft will be delivered from 1986 through 1990. According to a Boeing spokesman, the order does not necessarily mean any new jobs, but it will help maintain the firm's existing job level.

Hygrade to Close Tacoma Plant

Canneries and other food processing plants added 1,200 workers between August and September. The increase was seasonal and about normal for this time of the year. The workers were hired to help process pears, potatoes, corn and other vegetables. In a more significant development, Hygrade Food Products Corporation announced in October that they would close their Tacoma plant in approximately six months. The plant employes about 400 workers. According to a company spokesman, the Tacoma plant was only marginally profitable and is unable to successfully compete with more modern operations elsewhere in the country. The relatively high wages at the plant and the cost of complying with environmental regulations were cited as partial reasons for the decision to close the plant.

Lumber Employment Remains Depressed But One Mill Reopens

Lumber employment fell 600 in September with losses in all three major segments of the industry; logging, sawmills, and plywood plants. The Weyerhaeuser Company, however, reopened its Green Mountain plant in Longview in October under a new union agreement which ties wages to production and profit. Some jobs were combined before reopening, but 109 of the mill's 125 employees were scheduled to return to work. According to the mill manager, the workers could earn the same base pay as before the closure if the market is good and productivity is high. In the worst case scenario, however, they could take a $4.60 an hour pay cut. Average pay and benefits for the workers prior to the closure in March was $19.50 an hour.

Commonwealth Aluminum Lays Off 120

Aluminum employment was unchanged over the month but down 600 over the year. In Goldendale, the Commonwealth Aluminum Company announced in October that it was reducing its production to 60 percent of capacity and laying off 120 workers. The company's Northwest operations manager said that the plant was losing money.

Layoff In High-Tech Too

High-Tech firms are not immune from layoffs either. In October the SEH America Inc. plant in Vancouver laid off 185 workers because of slumping sales of semi-conductors. The 185 workers laid off represented 25 percent of the company's work force.

NONMANUFACTURING INDUSTRIES

School Days

The beginning of the new school year added 10,600 jobs in government in September. While large, the increase was less than normal because of the labor dispute in the Seattle Public Schools. The conclusion of many summer employment programs for youth (Work-Experience Program, etc.) and the end of summer jobs in parks and recreation partially offset the gains in public education and limited the overall increase in state and local government to 5,800. Federal civilian employment fell 800 over the month, partially because of seasonal layoffs at parks and forests.

Services employment rose 4,000 in September to post the second largest gain in nonmanufacturing. Employment in amusements expanded because of county and regional fairs, but the largest increase in services resulted in the beginning of the regular academic year at private schools and colleges.

Retail Trade Up

Retail trade payrolls rose 1,900 in September. Most of the gain occurred at eating and drinking places. Fairs contributed to the increase here as did establishments which contract with schools to provide food services. Employment at gasoline stations, however, declined because of a seasonal slowdown in tourist business. Wholesale trade employment rose 2,600 over the month with approximately 70 percent of the gain at wholesale fruit and vegetable houses. Additional workers were hired to pack, store and ship this year's apple crop.

School Buses Rolling Again

Employment in transportation, communications and utilities rose 800 in September. Payrolls in air and water transportation were up, but the major gain was at private firms which operate school buses for local schools.

Construction Continues Up

Construction employment edged up 400 between August and September and was up 6,200 over the year in the latter month. According to F. W. Dodge, the value of construction projects for which permits were obtained totaled $3.4 billion in Washington State for the first three quarters of 1985. The total for the comparable period in 1984 was $3.0 billion. The major year-to-year increases were in street and highway construction, up 47 percent, and in commercial building construction, up 44 percent. The value of residential construction was up 6 percent, but all of the increase was in multi-family dwelling. The number of permits for single family houses issued for the first nine months of this year was down 5 percent from the similar period in 1984.

NATIONAL CONTEXT

Signals Mixed

Economic indicators continued mixed for the nation's economy. The Gross National Product (GNP) for the third quarter was up substantially from earlier quarters of this year, but the Index of Leading Economic Indicators rose weakly in September. Housing starts declined and the trade deficit rose.

GNP Up

The GNP, the nation's broadest measure of economic activity, grew at an annual rate of 3.3 percent in the third quarter, up from a gain of only 1.1 percent in the first half of the year. The increase largely came from an upturn in final sales resulting from additional automobile sales. Auto sales, however, were high in August and September mainly because of cut-rate financing incentives. Higher final sales offset the impact of a 4.7 percent third quarter drop in business investment spending. Capital spending has been cut back by many firms because of weakening profits.

Trade Deficit Grows

While consumers were spending freely, much of that spending continued to be on imported goods. September imports totaled $33.3 billion and exports were $17.7 billion, resulting in a deficit of $15.6 billion. Japanese automobiles, European steel, and foreign oil were the major items contributing to the deficit.

Efforts to help correct this nation's trade deficit by the U.S., Japan, West Germany, England and France by driving down the dollar's value relative to other currencies has had some impact. In October and November the value of the dollar dropped 10 percent against most major currencies. At the beginning of November, the dollar fell to a 4½ year low against the Japanese Yen. According to many analysts, however, it is likely to be late next year before the dollar's decline has much effect on U.S. trade deficit.

Leading Indicator Index Up Slightly

The Index of Leading Economic Indicators rose a slight 0.1 percent in September, sharply lower than in August (up 0.9 percent) and July (up 0.7 percent). The change in the leading indicators may be pointing to a less buoyant economy in the months ahead. The weak gain in September resulted from a drop in business and consumer borrowing, lower stock prices, a decline in new business formation, a rise in weekly claims for unemployment compensation, and a decline in orders for manufactured goods. Offsetting these negative changes were a rising money supply, increased orders for plant and equipment, a longer work-week, an increase in building permits and a slight increase in sensitive material prices.

Housing Starts Tumble

In other developments, national housing starts fell 9.3 percent to an annual rate of 1.58 million units in September. Starts for single family homes fell 10.4 percent, while starts on apartments dropped 7.6 percent. In the western United States, total starts were down even more, 16.6 percent. The West, of course, is the major market for this state's lumber industry.

Analysts, however, believe housing construction will increase in subsequent months because of a rise in building permits. Permits for new housing units rose in both August and September and stood at an annual rate of 1.8 million units in September.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Sept. 1985	Aug. 1985	Sept. 1984	Sept. 1985	Aug. 1985
U.S. City Average	324.5	323.5	314.5	3.2	3.6
Seattle-Everett	321.8	N/A	316.5	1.7	N/A

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Sep. 1985 (Prel.)	Aug. 1985 (Rev.)	Sep. 1984 (Rev 4/)	Aug. 1984 (Rev 4/)	Aug. 85 to Sep. 85	Sep. 84 to Sep. 85
TOTAL NONAG. WAGE AND SALARY.	1,713.4	1,697.9	1,669.0	1,643.7	+15.5	+44.4
TOTAL MANUFACTURING.........	298.3	296.1	292.3	291.0	+2.2	+6.0
Durable Goods..............	204.5	203.5	201.3	200.3	+1.0	+3.2
Lumber & Wood Products....	38.0	38.6	41.0	41.4	-0.6	-3.0
Furniture & Fixtures......	3.3	3.1	3.4	3.3	+0.2	-0.1
Stone Clay & Glass Prod...	6.6	6.6	6.8	6.8	0.0	-0.2
Primary Metal Industries..	12.0	12.0	13.1	13.0	0.0	-1.1
Aluminum Prod.& Proc......	7.8	7.8	8.4	8.5	0.0	-0.6
Fabricated Metal Prod.....	11.1	10.9	9.9	9.9	+0.2	+1.2
Machinery.................	27.6	27.4	28.0	27.9	+0.2	-0.4
Machinery exc. Elect......	15.6	15.4	16.2	16.3	+0.2	-0.6
Electrical & Electronic..	12.0	12.0	11.8	11.6	0.0	+0.2
Transportation Equipment..	91.1	90.1	84.0	83.1	+1.0	+7.1
Aerospace.................	77.9	77.0	68.9	67.9	+0.9	+9.0
Other Transp. Equip......	13.2	13.1	15.1	15.2	+0.1	-1.9
Instruments & Rel. Prod...	10.4	10.3	10.3	10.3	+0.1	+0.1
Misc. Manufacturing Ind...	4.4	4.5	4.8	4.6	-0.1	-0.4
Nondurable Goods...........	93.8	92.6	91.0	90.7	+1.2	+2.8
Food & Kindred Products...	34.7	33.6 3/	34.0	33.2	+1.1	+0.7
Canned & Preserved Foods.	15.1	13.9	13.9	12.6	+1.2	+1.2
Apparel & Other Text.Prod.	6.5	6.5	6.5	6.4	0.0	0.0
Paper & Allied Products...	16.2	16.5	16.0 3/	16.7	-0.3	+0.2
Printing & Publishing.....	17.3	17.0	16.7	16.7	+0.3	+0.6
Chemicals & Allied Prod...	11.5	11.4	10.6	10.3	+0.1	+0.9
Other Nondurable Goods 2/.	7.6	7.6	7.2	7.4	0.0	+0.4
MINING & QUARRYING..........	2.9	2.9	2.7	2.8	0.0	+0.2
CONSTRUCTION................	89.8	89.4	83.6	83.2	+0.4	+6.2
TRANS.& PUBLIC UTILITIES....	94.3	93.5	92.6	92.3	+0.8	+1.7
WHOLESALE & RETAIL TRADE....	427.8	424.5	412.6	409.2	+3.3	+15.2
Wholesale Trade............	108.0	106.6	105.4	103.8	+1.4	+2.6
Retail Trade...............	319.8	317.9	307.2	305.4	+1.9	+12.6
FIN. INS. & REAL ESTATE.....	97.9	98.2	95.5	95.8	-0.3	+2.4
SERVICES....................	373.8	369.8	357.5	353.3	+4.0	+16.3
GOVERNMENT..................	328.6	323.5	332.2	316.1	+5.1	-3.6
Federal....................	70.1	70.8	69.9	71.3	-0.7	+0.2
State & Local..............	258.5 3/	252.7	262.3	244.8	+5.8	-3.8
Education.................	126.0 3/	115.4	134.0	110.0	+10.6	-8.0
(WORKERS IN LABOR-MANAGEMENT DISPUTES).................	3.7	0.2	0.3	0.0	+3.5	+3.4

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: October 24, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	September 1985 Preliminary 1/				August 1985 Revised 1/				September 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,111,400	1,959,500	151,900	7.2	2,109,000	1,946,900	162,100	7.7	2,054,700	1,885,700	169,000	8.2
Bellingham MSA	53,000	48,900	4,100	7.7	53,900	49,600	4,300	8.0	49,400	44,500	4,900	9.9
Bremerton MSA	65,700	61,900	3,800	5.8	65,500	61,600	3,900	6.0	64,600	60,500	4,100	6.3
Olympia MSA	62,500	57,800	4,700	7.5	63,100	58,300	4,800	7.6	59,700	54,300	5,400	9.0
Seattle PMSA	948,000	889,100	58,900	6.2	950,400	889,600	60,800	6.4	912,300	848,300	64,000	7.0
Spokane MSA	160,900	149,800	11,100	6.9	159,800	148,200	11,600	7.3	159,500	148,000	11,500	7.2
Tacoma PMSA	196,200	180,600	15,600	8.0	195,700	179,300	16,400	8.4	193,800	176,700	17,100	8.8
Tri-Cities MSA 2/	71,900	66,300	5,600	7.8	71,400	65,200	6,200	8.7	71,600	63,700	7,900	11.0
Vancouver PMSA	96,900	89,400	7,500	7.7	95,200	87,000	8,200	8.6	93,300	85,200	8,100	8.7
Yakima MSA	87,600	79,000	8,600	9.8	86,600	76,000	10,600	12.2	85,100	76,300	8,800	10.3
Adams	7,430	6,890	540	7.3	7,520	6,790	730	9.7	7,320	6,690	630	8.6
Asotin	8,620	8,030	590	6.8	8,150	7,550	600	7.4	8,040	7,430	610	7.6
Clallam	18,990	17,110	1,880	9.9	18,930	17,080	1,850	9.8	20,340	17,650	2,690	13.2
Columbia	1,900	1,730	170	8.9	2,000	1,820	180	9.0	1,670	1,490	180	10.8
Cowlitz	33,090	29,110	3,980	12.0	32,350	28,490	3,860	11.9	32,700	29,280	3,420	10.5
Ferry	2,640	2,390	250	9.5	2,570	2,300	270	10.5	2,560	2,240	320	12.5
Garfield	1,160	1,100	60	5.2	1,190	1,120	70	5.9	1,180	1,090	90	7.6
Grant	23,330	21,210	2,120	9.1	23,900	21,490	2,410	10.1	22,720	20,270	2,450	10.8
Grays Harbor	28,390	25,600	2,790	9.8	28,620	25,750	2,870	10.0	29,060	25,200	3,860	13.3
Island	16,900	15,950	950	5.6	17,000	15,950	1,050	6.2	15,640	14,410	1,230	7.9
Jefferson	6,830	6,340	490	7.2	6,830	6,340	490	7.2	6,890	6,290	600	8.7
Kittitas	10,720	9,900	820	7.6	10,570	9,750	820	7.8	10,660	9,660	1,000	9.4
Klickitat	6,720	6,000	720	10.7	6,780	5,970	810	11.9	6,890	6,180	710	10.3
Lewis	23,610	21,310	2,300	9.7	23,330	20,880	2,450	10.5	23,720	21,070	2,650	11.2
Lincoln	4,590	4,400	190	4.1	4,670	4,490	180	3.9	4,410	4,240	170	3.9
Mason	11,940	11,120	820	6.9	11,900	11,020	880	7.4	10,750	9,760	990	9.2
Okanogan	14,020	12,170	1,850	13.2	14,890	12,430	2,460	16.5	16,340	13,950	2,390	14.6
Pacific	6,570	5,780	790	12.0	6,810	5,880	930	13.7	6,840	5,850	990	14.5
Pend Oreille	3,950	3,430	520	13.2	4,060	3,490	570	14.0	4,160	3,750	410	9.9
San Juan	4,540	4,340	200	4.4	4,950	4,750	200	4.0	4,450	4,250	200	4.5
Skagit	33,800	30,610	3,190	9.4	35,550	32,220	3,330	9.4	33,210	29,170	4,040	12.2
Skamania	2,690	2,360	330	12.3	2,650	2,310	340	12.8	2,520	2,200	320	12.7
Stevens	11,630	10,350	1,280	11.0	11,730	10,410	1,320	11.3	12,050	10,630	1,420	11.8
Wahkiakum	1,200	1,050	150	12.5	1,200	1,060	140	11.7	1,180	1,030	150	12.7
Walla Walla	26,060	24,620	1,440	5.5	25,940	24,270	1,670	6.4	25,590	23,860	1,730	6.8
Wenatchee Labor Area 3/	41,270	38,100	3,170	7.7	38,540	33,970	4,570	11.9	37,600	34,140	3,460	9.2
Whitman	16,160	15,740	420	2.6	14,770	14,380	390	2.6	16,780	16,280	500	3.0

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

October 24, 1985
Benchmark 1984

(Not Seasonally Adjusted)

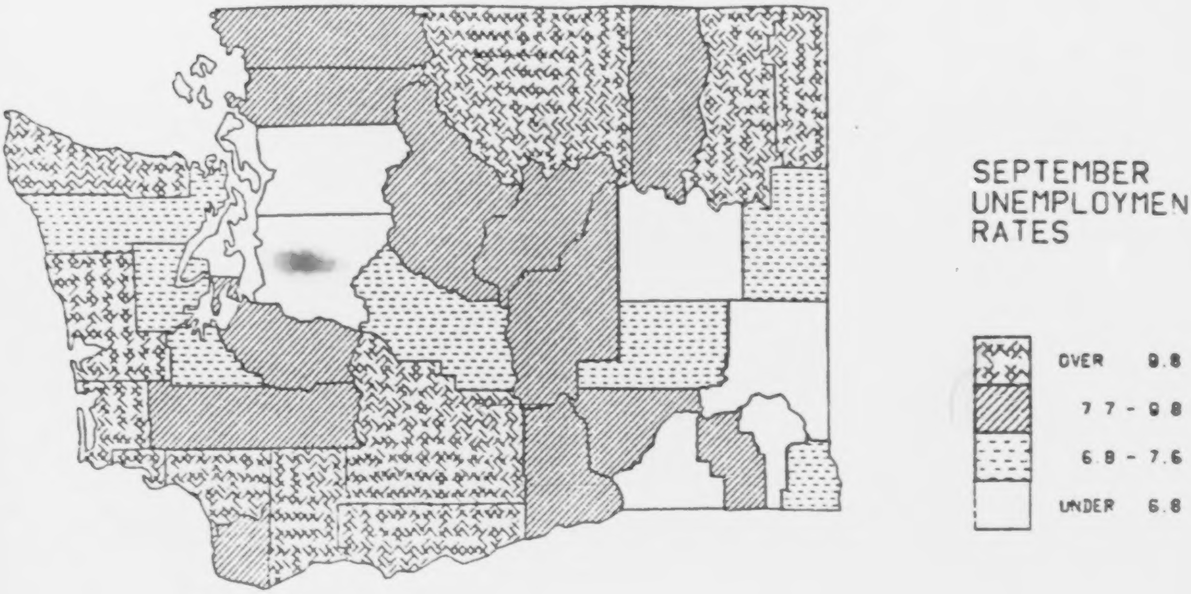
	September 1985 Preliminary 1/				August 1985 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,094,400	1,947,200	147,200	7.0	2,090,500	1,939,200	151,300	7.2
Bellingham MSA	52,600	48,600	4,000	7.6	53,400	49,400	4,000	7.5
Bremerton MSA	65,200	61,500	3,700	5.7	65,000	61,400	3,600	5.5
Olympia MSA	62,000	57,500	4,500	7.3	62,600	58,100	4,500	7.2
Seattle PMSA	940,600	883,500	57,100	6.1	942,900	886,100	56,800	6.0
King County	739,100	695,000	44,100	6.0	740,500	697,000	43,500	5.9
Snohomish County	201,500	188,500	13,000	6.5	202,300	189,100	13,200	6.5
Spokane MSA	159,600	148,900	10,700	6.7	158,500	147,700	10,800	6.8
Tacoma PMSA	194,500	179,400	15,100	7.8	193,900	178,600	15,300	7.9
Tri-Cities MSA 2/	71,400	65,900	5,500	7.7	70,800	65,000	5,800	8.2
Vancouver PMSA	96,200	88,900	7,300	7.6	94,300	86,600	7,700	8.2
Yakima MSA	86,800	78,500	8,300	9.6	85,600	75,700	9,900	11.6
Adams	7,360	6,840	520	7.1	7,450	6,770	680	9.1
Asotin	8,550	7,980	570	6.7	8,080	7,520	560	6.9
Clallam	18,820	17,000	1,820	9.7	18,730	17,010	1,720	9.2
Columbia	1,880	1,720	160	8.5	1,970	1,810	160	8.1
Cowlitz	32,780	28,920	3,860	11.8	31,980	28,380	3,600	11.3
Ferry	2,620	2,380	240	9.2	2,550	2,300	250	9.8
Garfield	1,150	1,090	60	5.2	1,170	1,110	60	5.1
Grant	23,130	21,070	2,060	8.9	23,660	21,410	2,250	9.5
Grays Harbor	28,150	25,440	2,710	9.6	28,330	25,650	2,680	9.5
Island	16,770	15,850	920	5.5	16,870	15,890	980	5.8
Jefferson	6,780	6,300	480	7.1	6,780	6,320	460	6.8
Kittitas	10,630	9,840	790	7.4	10,470	9,710	760	7.3
Klickitat	6,660	5,960	700	10.5	6,700	5,950	750	11.2
Lewis	23,400	21,170	2,230	9.5	23,090	20,800	2,290	9.9
Lincoln	4,550	4,370	180	4.0	4,640	4,470	170	3.7
Mason	11,840	11,050	790	6.7	11,810	10,980	830	7.0
Okanogan	13,880	12,090	1,790	12.9	14,680	12,380	2,300	15.7
Pacific	6,510	5,740	770	11.8	6,730	5,860	870	12.9
Pend Oreille	3,910	3,410	500	12.8	4,010	3,480	530	13.2
San Juan	4,500	4,310	190	4.2	4,910	4,730	180	3.7
Skagit	33,510	30,420	3,090	9.2	35,210	32,100	3,110	8.8
Skamania	2,660	2,340	320	12.0	2,620	2,300	320	12.2
Stevens	11,520	10,280	1,240	10.8	11,600	10,370	1,230	10.6
Wahkiakum	1,190	1,040	150	12.6	1,180	1,050	130	11.0
Walla Walla	25,860	24,460	1,400	5.4	25,730	24,180	1,550	6.0
Wenatchee Labor Area 3/	40,930	37,860	3,070	7.5	38,100	33,840	4,260	11.2
Whitman	16,050	15,640	410	2.6	14,690	14,320	370	2.5

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Includes Benton and Franklin counties.
3/ Includes Chelan and Douglas counties.

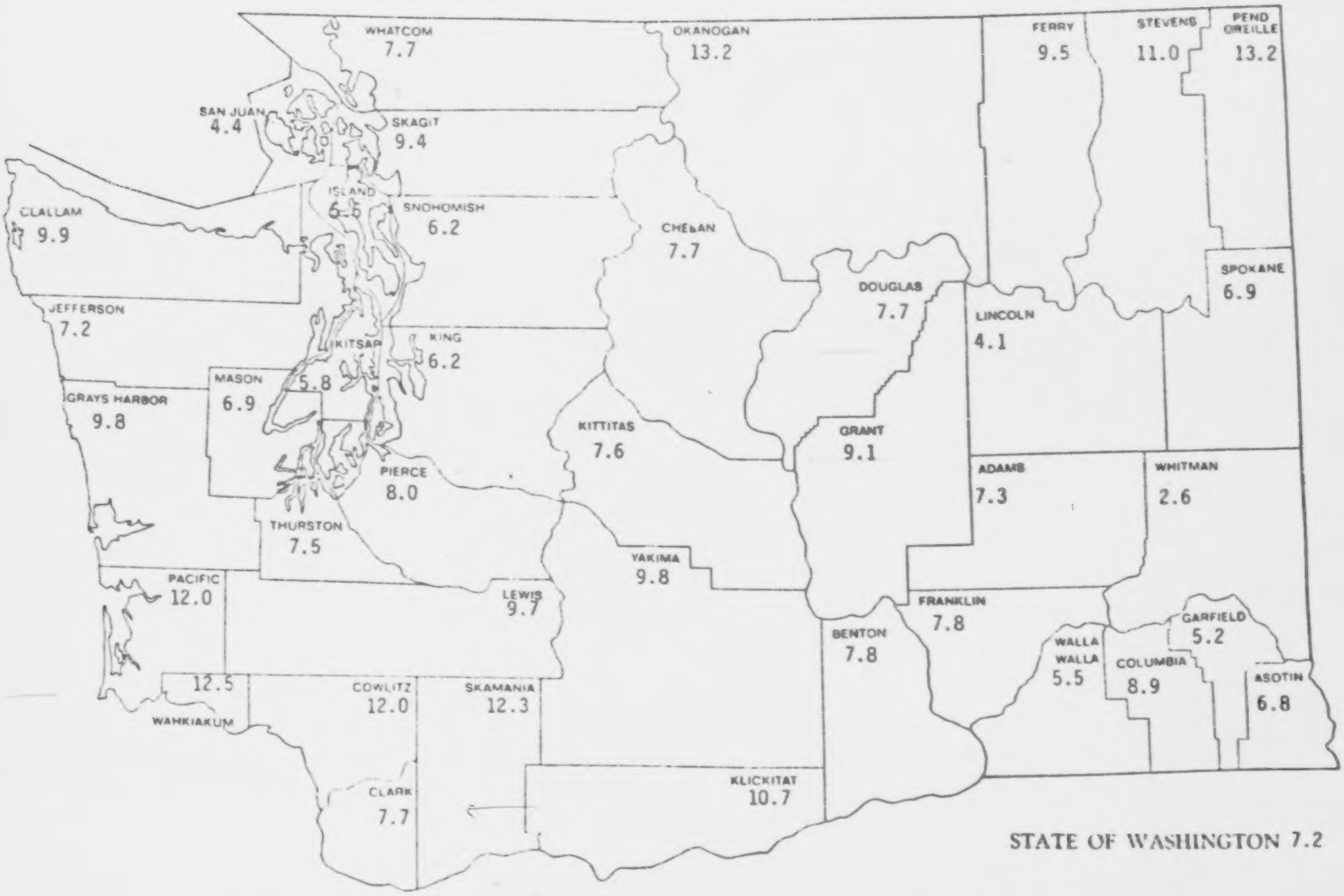
Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch

SEPTEMBER UNEMPLOYMENT RATES



OVER 9.8
7.7 - 9.8
6.8 - 7.6
UNDER 6.8



WHATCOM 7.7
OKANOGAN 13.2
FERRY 9.5
STEVENS 11.0
PEND OREILLE 13.2
SAN JUAN 4.4
SKAGIT 9.4
CLALLAM 9.9
ISLAND 6.6
SNOHOMISH 6.2
CHELAN 7.7
DOUGLAS 7.7
SPOKANE 6.9
JEFFERSON 7.2
LINCOLN 4.1
KITSAP 5.8
KING 6.2
MASON 6.9
GRAYS HARBOR 9.8
KITTITAS 7.6
GRANT 9.1
PIERCE 8.0
ADAMS 7.3
WHITMAN 2.6
THURSTON 7.5
YAKIMA 9.8
PACIFIC 12.0
LEWIS 9.7
FRANKLIN 7.8
BENTON 7.8
GARFIELD 5.2
WALLA WALLA 5.5
COLUMBIA 8.9
ASOTIN 6.8
12.5
WAHKIAKUM
COWLITZ 12.0
SKAMANIA 12.3
CLARK 7.7
KLICKITAT 10.7

STATE OF WASHINGTON 7.2

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	AUG. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		AUG 1985	JUL 1985	AUG 1984	AUG 1985	JUL 1985	AUG 1984	AUG 1985	JUL 1985	AUG 1984
TOTAL MANUFACTURING INDUSTRIES *	183,700	$450.45	$441.50	$441.98	39.0	37.8	38.5	$11.55	$11.68	$11.48
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	34,600	432.70	408.96	403.05	37.6	35.5	35.7	11.51	11.52	11.29
Primary metal industries......	9,200	505.06	517.00	551.03	39.8	39.8	39.5	12.69	12.99	13.95
Fabricated metal products.....	8,100	457.65	458.00	474.88	39.9	40.0	42.4	11.47	11.45	11.20
Machinery.....................	16,300	390.00	369.14	352.47	40.0	37.4	37.9	9.75	9.87	9.30
Food & kindred products.......	26,300	358.49	347.76	364.26	38.3	36.8	39.0	9.36	9.45	9.34
Chemicals & allied products...	5,300	585.74	567.12	534.18	42.2	41.7	41.7	13.88	13.60	12.81
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	66,300	590.74	587.65	589.84	37.2	36.5	36.5	15.86	16.10	16.16
Wholesale and retail trade.... (excludes eating & drinking places)	260,300	319.59	321.90	318.01	34.7	34.8	35.1	9.21	9.25	9.06

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	SEP. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		SEP 1985	AUG 1985	SEP 1984	SEP 1985	AUG 1985	SEP 1984	SEP 1985	AUG 1985	SEP 1984
TOTAL MANUFACTURING INDUSTRIES *	184,700	$459.76	$448.13	$451.21	39.6	38.9	39.1	$11.61	$11.52	$11.54
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	34,200	457.08	420.26	437.75	39.1	36.8	37.9	11.69	11.42	11.55
Primary metal industries......	9,200	512.68	503.07	541.75	40.4	39.8	39.4	12.69	12.64	13.75
Fabricated metal products.....	8,500	448.50	441.18	479.86	39.0	38.7	41.8	11.50	11.40	11.48
Machinery.....................	16,500	396.37	388.63	371.47	40.2	39.9	39.9	9.86	9.74	9.31
Food & kindred products.......	27,100	351.16	362.29	353.82	37.8	38.5	38.5	9.29	9.41	9.19
Chemicals & allied products...	5,200	611.89	585.31	551.20	43.8	42.2	41.6	13.97	13.87	13.25
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	69,300	583.20	597.55	603.10	36.0	37.3	37.0	16.20	16.02	16.30
Wholesale and retail trade.... (excludes eating & drinking places)	262,000	325.38	323.27	323.76	34.8	35.1	35.5	9.35	9.21	9.12

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

12/26/85

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JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 9, Number 11 November 1985

HIGHLIGHTS

Employment Stable

Employment in Washington State was nearly unchanged between September and October with the total down 300 over the 30-day period. Nonagricultural wage and salary payrolls rose 3,700 in October, but the gain was offset by seasonal cutbacks in farm employment where the apple harvest was winding down.

Most nonagricultural industries also experienced seasonal job losses over the month because of the end of the summer tourist season, the completion of county and regional fairs for the year and the effect of deteriorating weather conditions on construction and other outdoor activities. Agricultural-related employment in food products and wholesaling also declined with harvests largely completed for 1985. More than offsetting these losses was a sharp

	Oct. 1985* (Prel.)	Sept. 1985* (Rev.)	Oct. 1984
Civilian Labor Force	2,121,900	2,116,100	2,078,400
Total Employment	1,961,900	1,962,200	1,899,000
Total Unemployment	160,000	153,900	179,400
State Unemployment Rate	7.5	7.3	8.6
National Civilian Unemployment Rate	6.8	6.9	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics' estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

seasonal gain in public education. The gains in education payrolls occurred at colleges which begin their school year after mid-September. Many other schools continued hiring in October to round out their staffing for the new school year. The settlement of the strike involving Seattle public school teachers also contributed to the increase.

Nonfarm Jobs Up 51,000 over the Year

The state continues to maintain a substantial year-to-year gain in nonagricultural jobs. At mid-October, total nonfarm employment was up 51,000 over the year. Moreover, the relative increase was greater than has occurred nationally; the state nonfarm wage and salary total was up 3.1 percent over the year, while the national wage and salary level rose 2.3 percent over the same period.

Aerospace Credited With Stronger Job Growth in State

The major factor in the stronger growth in the state has been the expansion in the aerospace industry. While manufacturing employment has declined nationally because of foreign competition, losses in manufacturing jobs in Washington State resulting from foreign competition and other factors have been more than offset by growth in aerospace jobs. As a result, manufacturing employment in October was up 5,700, or 2.0 percent, over the year in Washington State in contrast to a drop of 1.0 percent nationally.

An over-the-year increase of 8,700 aerospace jobs in Washington State combined with gains of 900 each in fabricated metals, and chemicals plus lesser expansions in other industries to more than offset losses of 2,200 in lumber-wood products, 1,000 in primary metals, 900 in machinery, and 1,800 in "other transportation equipment"--mainly shipbuilding.

Major Job Gains In Construction, Retail Trade and Services

Aside from aerospace, the major over-the-year industrial expansions occurred in the nonmanufacturing industries. The largest gains were noted in construction, up 5,800; retail trade, up 12,700; and services, up 16,200. Growth in the construction industry was broadly based according to our monthly sample of contractors, with more activity in building construction; office buildings, homes, apartments, factories, etc.; nonbuilding construction; streets, highways, etc.; and in special trade construction; electrical, painting, plumbing, etc.

In retail trade, eating and drinking places continues to account for nearly one-half of the year-to-year expansion. Other sizable gains, however, were credited to food stores and automobile dealers. The services industries continue to expand briskly with over one-third of the gain in business services. Firms which provide temporary help to other businesses accounted for a good share of the rise here. Medical services has also continued to expand, especially at nursing homes and at the offices of health practitioners. Hospital employment, however, has declined over the year. Major factors behind the drop are competition from health clinics and the high cost of hospital services which is resulting in patients staying for shorter durations.

Unemployment Up Seasonally

Total unemployment in Washington State rose from 153,900 and 7.3 percent of the labor force in September to 160,000 and 7.5 percent in October. The increase was about normal for this time of the year. In fact, the seasonally adjusted rate slipped from 8.2 percent to 8.1 percent over the month, returning to its August level.

An increase in unemployment (before seasonal adjustment) is normal at this time of the year even though total employment may show little change. While growth in education payrolls balanced seasonal job losses in agriculture, construction and other industries, the people filling the new jobs are not the ones laid off elsewhere. Most of those hired in education are re-entrants to the labor force; people who were laid off by schools for the summer when the regular school year ended. The majority of these individuals (cafeteria workers, bus drivers, teaching aids, etc.) did not seek alternative employment for the summer and, thus, were not counted as unemployed. Hirings and layoffs of these individuals have little impact on unemployment.

Unemployment Down From Year Ago

Substantial employment growth over the year in Washington State was sufficient to provide jobs for an expanding labor force and reduce unemployment by 19,400. The jobless rate dropped from 8.6 to 7.5 percent over the year. Although the state rate remained above the national rate of 6.8 percent in October, the national rate dropped only two-tenths of a point over the year, while the rate in the state fell 1.1 points because of the relative strength of its economy. (Data are not seasonally adjusted.)

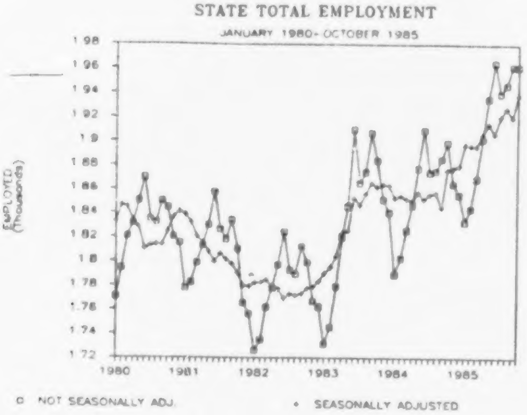
Local Area Developments

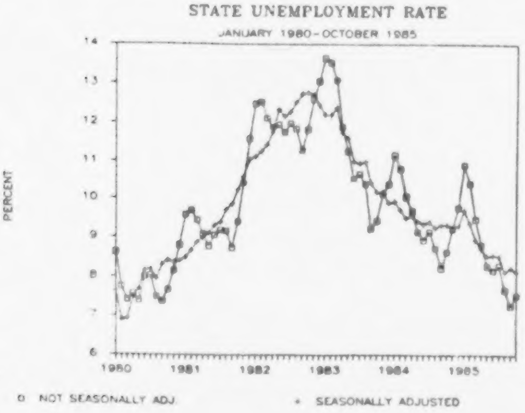
Changes in unemployment around the state varied by direction and amount between September and October. Most changes were fairly modest. The largest increases occurred in eastern Washington areas where agriculture and related food processing and wholesaling activity was declining. Typical of these areas were the Yakima, Columbia, and Walla Walla county areas. In Yakima County the jobless rate rose from 9.9 to 11.9 percent between September and October, while the rate in Walla Walla County rose from 5.6 to 6.5 percent. In Columbia County, which is more highly dependent on agriculture and the related food processing industry than either Yakima or Walla Walla, the rate shot up from 9.3 to 14.4 percent.

Seattle's Jobless Rate Remains Low

Unemployment in the state's major metropolitan areas rose more modestly. In the Seattle-Metropolitan Area the rate edged up from 6.3 to 6.4 percent. The increase here was cushioned by the settlement of the labor dispute in Seattle public schools and the beginning of a new school year at the University of Washington. Despite the increase, the unemployment rate in the Seattle area in October of 6.4 percent remained below the corresponding state (7.5 percent) and national rates (6.8 percent).

In the Tacoma Metropolitan Area the unemployment rate rose from 8.0 to 8.3 percent over the month. The end of the temporary jobs at the Western Washington Fair was a factor pushing unemployment higher as was continuing problems in the area's shipbuilding industry. In the Spokane area the rate moved up from 7.0 to 7.4 percent. Agriculture has more of an effect on Spokane than on Seattle or Tacoma because it is the trade, service and financial center for eastern Washington and nearby farm areas in Idaho and Oregon.





MANUFACTURING INDUSTRIES

Manufacturing Down Seasonally

Manufacturing employment slipped 1,100 between September and October largely because of seasonal factors. Seasonal losses were noted in food processing, lumber-wood products, and paper-allied products. Food processing fell 900 with the peak of the canning-preserving season past. Employment in the lumber industry fell 400, but normally a loss of over 1,000 occurs in the industry in October. The less than seasonal loss this year likely resulted from the industry's already depressed level rather than any improvement. A drop of 300 in the pulp-paper industry was normal for this time of the year and was due the termination of vacation-replacement workers. Adding to the seasonal losses was a drop of 300 in machinery; about two-thirds of the cutback resulted from a layoff at an electronics plant in Vancouver.

Aerospace Continues to Climb

Aerospace employment advanced 800 in October to cushion the losses. Employment in the industry is now up 8,700 over the year and 16,400 above its October 1983 level. New orders for commercial aircraft continue to brighten the outlook in the state's largest manufacturing industry. In November, The Boeing Company received a $3 billion order from United Airlines for 116 aircraft. The order followed a $2 billion order in October from Northwest Airlines and orders totaling $850 million from Texas Air Corp. and Republic Airlines. By early November, Boeing had received firm orders for 341 commercial aircraft in 1985, the second largest number of planes ordered in a one year period in the company's history.

Planning for the 21st Century

Looking to the future, The Boeing Company is designing an airframe for an airplane-rocket to take people into space in the next century. Details on the project are not available because of its defense applications, but a Boeing spokesman said that they expected the market for space planes in the 21st century to be huge. Besides space travel, the planes could cut the time to travel to Pacific Rim countries from 12-18 hours to 2-3 hours.

Lumber Industry Outlook Uncertain

Unlike aerospace, developments in the lumber industry were mixed in October and the the outlook remains uncertain. The Weyerhaeuser Company announced that it would shut down its three wood product mills in Longview beginning December 2nd for an indefinite period. The closures will affect 385 workers. A Weyerhaeuser spokesman said the mills have lost $24 million in the last five years. The firm will investigate ways of making the mills profitable again, including product and raw material mix, work practices, overhead, labor costs, and capital improvements.

Economic indicators relating to new housing starts were mixed in October, clouding the outlook for the lumber industry. Over one-half of all lumber products go into new home construction. National housing starts, including multi-units, rose 10.8 percent in October to a seasonally adjusted annual rate of 1.76 million units. By contrast, sales of new homes dropped to their slowest pace in six months, a seasonally adjusted annual rate of 652,000 units. A 6½ months supply of new homes remains on the market nationally.

Problems Mount At Tacoma Boat

Shipbuilding employment remained fairly stable in October, although fluctuations continued at individual yards. Problems continued at Tacoma Boatbuilding, which recently filed for reorganization under bankruptcy laws. Four years ago the firm was the largest private manufacturing employer in Pierce County with a workforce of 2,900. Their employment was reportedly down to 603 in November. Its subsidiary, At-Sea Incineration Company, shut down in November when it failed to make a $4 million payment due on two incinerator ships it is building. The firm's attempt to seek additional funds to complete its incinerator ships and operate until it receives permits to begin burning hazardous wastes on those ships was blocked by creditors. Tacoma Boat has until late January to propose a reorganization plan.

NONMANUFACTURING INDUSTRIES

School Payrolls Up

The major change in the nonmanufacturing industries over the month was a seasonal gain of 20,100 in public education. Approximately 3,700 of the increase resulted from the settlement of the labor dispute at Seattle public schools. Despite the sizable expansion in October, however, public education payrolls were slightly lower than in October 1984.

The increase in government civilian employment was pared to 16,600 for the month, however, as seasonal reductions in parks, forests, groundskeeping and other summer-time activities partially offset the growth in education employment. Government employment was up 3,500 or one percent over the year.

Tourist Season Winds Down

The end of the summer tourist season and the completion of county and regional fairs reduced services employment 3,900 in October. Major losses were in lodging places (campgrounds, trailer parks, and sporting and recreational camps) and in amusements and recreation (fairs, carnivals, golf courses, and boat houses). The losses were partially offset by a seasonal increase at private colleges and other private schools.

The decline in tourist business and county and regional fairs also reduced retail trade employment (down 2,500) in October. Nearly all of the loss was at restaurants and other eating and drinking places.

Expo 86 to Boost Tourist Business

Looking ahead, Expo 86, which opens next spring is expected to boost tourist trade in Washington State. A substantial percentage of those visiting the fair in Vancouver, B.C. will pass through Washington State. Washington State will have a pavilion at the fair and will encourage visitors to spend some time here too. The fair will last six months and could bring in an extra $30 million in state revenue. Extra gas taxes paid by persons traveling to Vancouver, B.C. through Washington State is expected to bring in $1.5 million alone.

Apple Packing Slows

With the peak of the apple harvest over and the completion of most other harvests, packing houses cut seasonal employment sharply, and employment in wholesale trade fell 1,400. Further reductions will occur in November, but no more than seasonally expected.

Construction Begins Seasonal Slowdown

Construction payrolls dropped 2,500 between September and October to match their seasonal decline over the comparable period last year. With seasonal factors now negative because of weather conditions, we can expect further losses through January or February, depending on weather conditions. Employment should remain above year-earlier levels, however.

According to data collected by F. W. Dodge on the value of contracts for construction projects, the value of all construction contracts was up 17 percent in Washington State for the first 10 months of 1985 from the comparable period in 1984. The value for residential buildings, however, was nearly unchanged year-to-year. By contrast, the cumulative value of commercial building contracts was up 45 percent, while the value for non-building construction (streets, highways, etc.) was up 22 percent.

Construction of Single Family Homes Down From 1984

While construction of apartment buildings has increased over the year, the number of permits issued for single family homes declined 7 percent. A number of reasons likely account for this development. With interest rates declining and little appreciation in the value of existing housing, there is little incentive to buy now rather than later as was the case in the late 1970s. In addition, employment cutbacks in many basic industries may have made many potential home buyers reluctant to make long-term financial commitments.

NATIONAL CONTEXT

Slow Growth Expected

Economic indicators released for October were lackluster, suggesting slow economic growth in coming months. There was no indication of an impending recession, however.

The Index of Leading Economic Indicators rose 0.3 percent in October. This was the sixth consecutive monthly increase, but the weakest since a 0.1 advance in June. The rise in the series in October was led by growth in credit, reflecting increasing real estate, commercial and industrial loans. Orders for manufactured goods picked up as did stock market prices and sensitive materials prices. The number of firms reporting slower deliveries was higher, while weekly claims for unemployment insurance dropped. Leading indicators on the negative side were new business formations, contracts and orders for new plants and equipment, building permits, and the money supply--cash, checking and savings accounts.

GNP Up

The Gross National Product (GNP), the value of the economy's output of goods and services, for the third quarter was estimated at 4.3 percent (revised) by the U.S. Department of Commerce. This followed sluggish growth of 1.9 percent in the second quarter of 0.3 percent in the first quarter. Despite the upward trend, many analysts expect a smaller increase in the GNP in the fourth quarter. One reason for the rise in the series was an increase in business inventories. Many analysts believe inventory building by business is likely to be cut back. Analysts also noted that the third quarter rise was boosted by a large increase in consumer spending, driving the personal savings rate to a record low and consumer debt to a record high. As a result, consumers are likely to reduce their spending in the fourth quarter.

Slow to Moderate Growth Forecast

Slow to moderate growth was predicted for the national economy in two forecasts released in November. The Conference Board, a non-profit, business-supported research group, forecast that the national economy would add just enough jobs in 1986 to absorb people entering the labor force. They also predicted that inflation would increase modestly, from an estimated 3.2 percent in 1985 to 4.0 percent in 1986.

University of Michigan economists estimated that the GNP will increase 2.4 percent this year and forecast a gain of 2.9 percent for 1986 and 3.6 percent in 1987. They expect the national civilian unemployment rate to average 7.2 percent in 1985, edge up to 7.3 percent in 1986 and decline to 7.1 percent in 1987.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Oct. 1985	Sept. 1985	Oct. 1984	Oct. 1985	Sept. 1985
U.S. City Average	325.5	324.5	315.3	+3.2	+3.2
Seattle-Everett	N/A	321.8	N/A	N/A	+1.7

AREA WAGE SURVEY REPORTS AVAILABLE FOR THURSTON AND MASON COUNTIES

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed an Occupational Wage Survey for Thurston and Mason counties. The survey report, based upon data from 255 establishments, presents wage ranges and average for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, THURSTON AND MASON COUNTIES, AUGUST, 1985" is available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 764-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Oct. 1985 (Prel.)	Sep. 1985 (Rev.)	Oct. 1984 (Rev 4/)	Sep. 1984 (Rev 4/)	Numerical Change Sep. 85 to Oct. 85	Numerical Change Oct. 84 to Oct. 85
TOTAL NONAG. WAGE AND SALARY.	1,720.0	1,716.3	1,669.0	1,669.0	+3.7	+51.0
TOTAL MANUFACTURING.........	297.0	298.1	291.3	292.3	-1.1	+5.7
Durable Goods..............	204.3	204.5	201.0	201.3	-0.2	+3.3
Lumber & Wood Products....	37.8	38.2	40.0	41.0	-0.4	-2.2
Furniture & Fixtures.....	3.3	3.3	3.4	3.4	0.0	-0.1
Stone Clay & Glass Prod...	6.6	6.6	6.7	6.8	0.0	-0.1
Primary Metal Industries..	12.0	12.0	13.0	13.1	0.0	-1.0
Aluminum Prod.& Proc.....	7.9	7.8	8.4	8.4	+0.1	-0.5
Fabricated Metal Prod.....	11.0	11.1	10.1	9.9	-0.1	+0.9
Machinery.................	27.2	27.5	28.1	28.0	-0.3	-0.9
Machinery exc. Elect.....	15.4	15.5	16.2	16.2	-0.1	-0.8
Electrical & Electronic..	11.8	12.0	11.9	11.8	-0.2	-0.1
Transportation Equipment..	91.7	91.0	84.8	84.0	+0.7	+6.9
Aerospace................	78.7	77.9	70.0	68.9	+0.8	+8.7
Other Transp. Equip......	13.0	13.1	14.8	15.1	-0.1	-1.8
Instruments & Rel. Prod...	10.2	10.4	10.2	10.3	-0.2	0.0
Misc. Manufacturing Ind...	4.5	4.4	4.7	4.8	+0.1	-0.2
Nondurable Goods...........	92.7	93.6	90.3	91.0	-0.9	+2.4
Food & Kindred Products...	33.6	34.5	33.4	34.0	-0.9	+0.2
Canned & Preserved Foods.	14.5	15.1	13.5	13.9	-0.6	+1.0
Apparel & Other Text.Prod.	6.6	6.5	6.5	6.5	+0.1	+0.1
Paper & Allied Products...	16.0	16.3	15.7 3/	16.0 3/	-0.3	+0.3
Printing & Publishing.....	17.3	17.2	17.0	16.7	+0.1	0.3
Chemicals & Allied Prod...	11.6	11.5	10.7	10.6	+0.1	+0.9
Other Nondurable Goods 2/.	7.6	7.6	7.0	7.2	0.0	+0.6
MINING & QUARRYING..........	2.8	2.9	2.8	2.7	-0.1	0.0
CONSTRUCTION................	86.9	89.4	81.1	83.6	-2.5	+5.8
TRANS.& PUBLIC UTILITIES....	93.1	94.3	91.3	92.6	-1.2	+1.8
WHOLESALE & RETAIL TRADE....	424.3	428.2	409.5	412.6	-3.9	+14.8
Wholesale Trade...........	106.7	108.1	104.6	105.4	-1.4	+2.1
Retail Trade..............	317.6	320.1	304.9	307.2	-2.5	+12.7
FIN. INS. & REAL ESTATE.....	97.8	98.0	94.6	95.5	-0.2	+3.2
SERVICES....................	371.6	375.5	355.4	357.5	-3.9	+16.2
GOVERNMENT..................	346.5	329.9	343.0	332.2	+16.6	+3.5
Federal....................	69.2	70.1	69.8	69.9	-0.9	-0.6
State & Local..............	277.3	259.8 3/	273.2	262.3	+17.5	+4.1
Education.................	147.8	127.7 3/	149.1	134.0	+20.1	-1.3
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	0.0	3.7	0.3	0.3	-3.7	-0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: November 26, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	October 1985 Preliminary 1/				September 1985 Revised 1/				October 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,121,900	1,961,900	160,000	7.5	2,116,100	1,962,200	153,900	7.3	2,078,400	1,899,000	179,400	8.6
Bellingham MSA	53,700	49,500	4,200	7.8	53,100	48,900	4,200	7.9	49,300	44,000	5,300	10.8
Bremerton MSA	65,800	61,900	3,900	5.9	65,900	62,000	3,900	5.9	64,400	60,000	4,400	6.8
Olympia MSA	63,000	57,900	5,100	8.1	62,700	57,900	4,800	7.7	60,200	54,400	5,800	9.6
Seattle PMSA	956,000	894,600	61,400	6.4	947,200	887,700	59,500	6.3	921,300	854,000	67,300	7.3
Spokane MSA	163,300	151,200	12,100	7.4	161,100	149,900	11,200	7.0	160,500	148,100	12,400	7.7
Tacoma PMSA	199,300	182,800	16,500	8.3	196,200	180,500	15,700	8.0	194,000	175,200	18,800	9.7
Tri-Cities MSA 2/	71,800	66,200	5,600	7.8	72,100	66,400	5,700	7.9	71,300	63,600	7,700	10.8
Vancouver PMSA	97,100	88,800	8,300	8.5	97,300	89,400	7,900	8.1	92,600	84,100	8,500	9.2
Yakima MSA	86,800	76,500	10,300	11.9	87,700	79,000	8,700	9.9	94,100	84,100	10,000	10.6
Adams	7,380	6,850	530	7.2	7,690	7,140	550	7.2	6,910	6,320	590	8.5
Asotin	8,790	8,020	770	8.8	8,600	8,000	600	7.0	8,200	7,560	640	7.8
Clallam	19,040	17,100	1,940	10.2	19,050	17,110	1,940	10.2	20,160	17,160	3,000	14.9
Columbia	1,880	1,610	270	14.4	1,830	1,660	170	9.3	1,630	1,440	190	11.7
Cowlitz	32,560	28,780	3,780	11.6	33,050	29,040	4,010	12.1	32,990	29,120	3,870	11.7
Ferry	2,620	2,370	250	9.5	2,660	2,400	260	9.8	2,510	2,190	320	12.7
Garfield	1,190	1,120	70	5.9	1,180	1,110	70	5.9	1,120	1,050	70	6.3
Grant	23,070	21,020	2,050	8.9	23,660	21,550	2,110	8.9	22,350	19,960	2,390	10.7
Grays Harbor	27,950	25,110	2,840	10.2	28,340	25,490	2,850	10.1	29,250	25,250	4,000	13.7
Island	16,600	15,540	1,060	6.4	16,900	15,930	970	5.7	15,290	14,060	1,230	8.0
Jefferson	6,760	6,270	490	7.2	6,850	6,340	510	7.4	6,820	6,200	620	9.1
Kittitas	11,150	10,300	850	7.6	10,760	9,920	840	7.8	11,290	10,240	1,050	9.3
Klickitat	6,510	5,860	650	10.0	6,740	6,010	730	10.8	7,210	6,480	730	10.1
Lewis	23,970	21,290	2,680	11.2	23,940	21,600	2,340	9.8	24,120	20,700	3,420	14.2
Lincoln	4,430	4,190	240	5.4	4,620	4,430	190	4.1	4,240	4,010	230	5.4
Mason	11,970	11,130	840	7.0	11,940	11,110	830	7.0	10,760	9,800	960	8.9
Okanogan	14,080	12,560	1,520	10.8	14,460	12,590	1,870	12.9	20,270	18,140	2,130	10.5
Pacific	6,520	5,710	810	12.4	6,590	5,780	810	12.3	6,830	5,700	1,130	16.5
Pend Oreille	3,860	3,340	520	13.5	3,960	3,430	530	13.4	4,110	3,590	520	12.7
San Juan	3,940	3,710	230	5.8	4,550	4,340	210	4.6	3,940	3,700	240	6.1
Skagit	32,560	29,300	3,260	10.0	33,990	30,770	3,220	9.5	32,330	28,140	4,190	13.0
Skamania	2,690	2,370	320	11.9	2,760	2,400	360	13.0	2,640	2,220	420	15.9
Stevens	11,460	10,130	1,330	11.6	11,650	10,370	1,280	11.0	11,890	10,310	1,580	13.3
Wahkiakum	1,220	1,060	160	13.1	1,210	1,050	160	13.2	1,240	1,090	150	12.1
Walla Walla	25,920	24,230	1,690	6.5	26,110	24,640	1,470	5.6	25,100	23,100	2,000	8.0
Wenatchee Labor Area 3/	38,630	35,620	3,010	7.8	41,690	38,480	3,210	7.7	40,760	37,740	3,020	7.4
Whitman	18,420	17,870	550	3.0	18,400	17,940	460	2.5	16,750	16,230	520	3.1

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

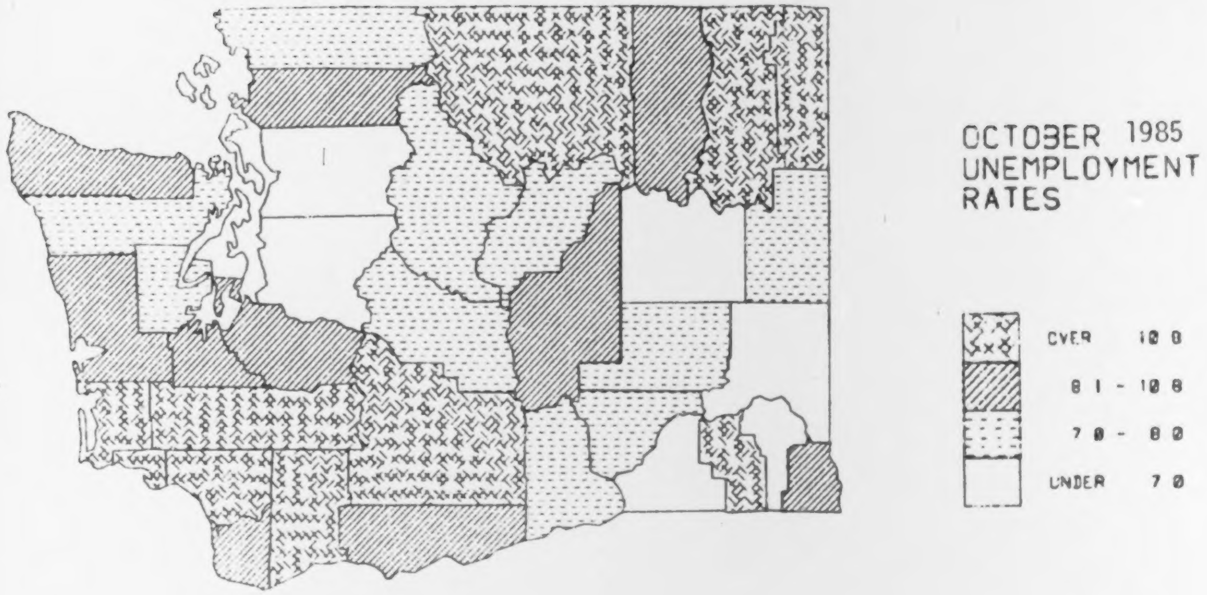
November 26, 1985
Benchmark 1984

(Not Seasonally Adjusted)

	October 1985 Preliminary 1/				September 1985 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,104,900	1,949,000	155,900	7.4	2,098,500	1,949,600	148,900	7.1
Bellingham MSA	53,300	49,200	4,100	7.7	52,600	48,600	4,000	7.6
Bremerton MSA	65,300	61,500	3,800	5.8	65,400	61,600	3,800	5.8
Olympia MSA	62,400	57,500	4,900	7.9	62,100	57,500	4,600	7.4
Seattle PMSA	948,500	888,700	59,800	6.3	939,500	882,000	57,500	6.1
King County	745,300	699,100	46,200	6.2	738,300	693,800	4,4500	6.0
Snohomish County	203,300	189,600	13,700	6.7	201,300	188,200	13,100	6.5
Spokane MSA	162,000	150,200	11,800	7.3	159,900	149,000	10,900	6.8
Tacoma PMSA	197,700	181,600	16,100	8.1	194,600	179,400	15,200	7.8
Tri-Cities MSA 2/	71,300	65,800	5,500	7.7	71,500	66,000	5,500	7.7
Vancouver PMSA	96,300	88,200	8,100	8.4	96,400	88,800	7,600	7.9
Yakima MSA	86,000	76,000	10,000	11.6	86,900	78,500	8,400	9.7
Adams	7,320	6,800	520	7.1	7,630	7,100	530	6.9
Asotin	8,710	7,960	750	8.6	8,530	7,950	580	6.8
Clallam	18,880	16,990	1,890	10.0	18,880	17,000	1,880	10.0
Columbia	1,870	1,600	270	14.4	1,810	1,650	160	8.8
Cowlitz	32,270	28,590	3,680	11.4	32,730	28,850	3,880	11.9
Ferry	2,600	2,350	250	9.6	2,630	2,380	250	9.5
Garfield	1,180	1,110	70	5.9	1,170	1,100	70	6.0
Grant	22,890	20,890	2,000	8.7	23,450	21,410	2,040	8.7
Grays Harbor	27,720	24,950	2,770	10.0	28,090	25,330	2,760	9.8
Island	16,470	15,440	1,030	6.3	16,760	15,820	940	5.6
Jefferson	6,710	6,230	480	7.2	6,780	6,290	490	7.2
Kittitas	11,070	10,240	830	7.5	10,660	9,850	810	7.6
Klickitat	6,460	5,820	640	9.9	6,680	5,970	710	10.6
Lewis	23,770	21,150	2,620	11.0	23,730	21,460	2,270	9.6
Lincoln	4,390	4,160	230	5.2	4,580	4,400	180	3.9
Mason	11,870	11,050	820	6.9	11,850	11,040	810	6.8
Okanogan	13,960	12,480	1,480	10.6	14,320	12,510	1,810	12.6
Pacific	6,450	5,670	780	12.1	6,530	5,750	780	11.9
Pend Oreille	3,830	3,320	510	13.3	3,920	3,410	510	13.0
San Juan	3,920	3,690	230	5.9	4,510	4,310	200	4.4
Skagit	32,290	29,110	3,180	9.8	33,680	30,570	3,110	9.2
Skamania	2,670	2,360	310	11.6	2,740	2,390	350	12.8
Stevens	11,350	10,060	1,290	11.4	11,540	10,300	1,240	10.7
Wahkiakum	1,200	1,050	150	12.5	1,190	1,040	150	12.6
Walla Walla	25,710	24,070	1,640	6.4	25,920	24,490	1,430	5.5
Wenatchee Labor Area 3/	38,320	35,390	2,930	7.6	41,350	38,240	3,110	7.5
Whitman	18,300	17,760	540	3.0	18,270	17,830	440	2.4

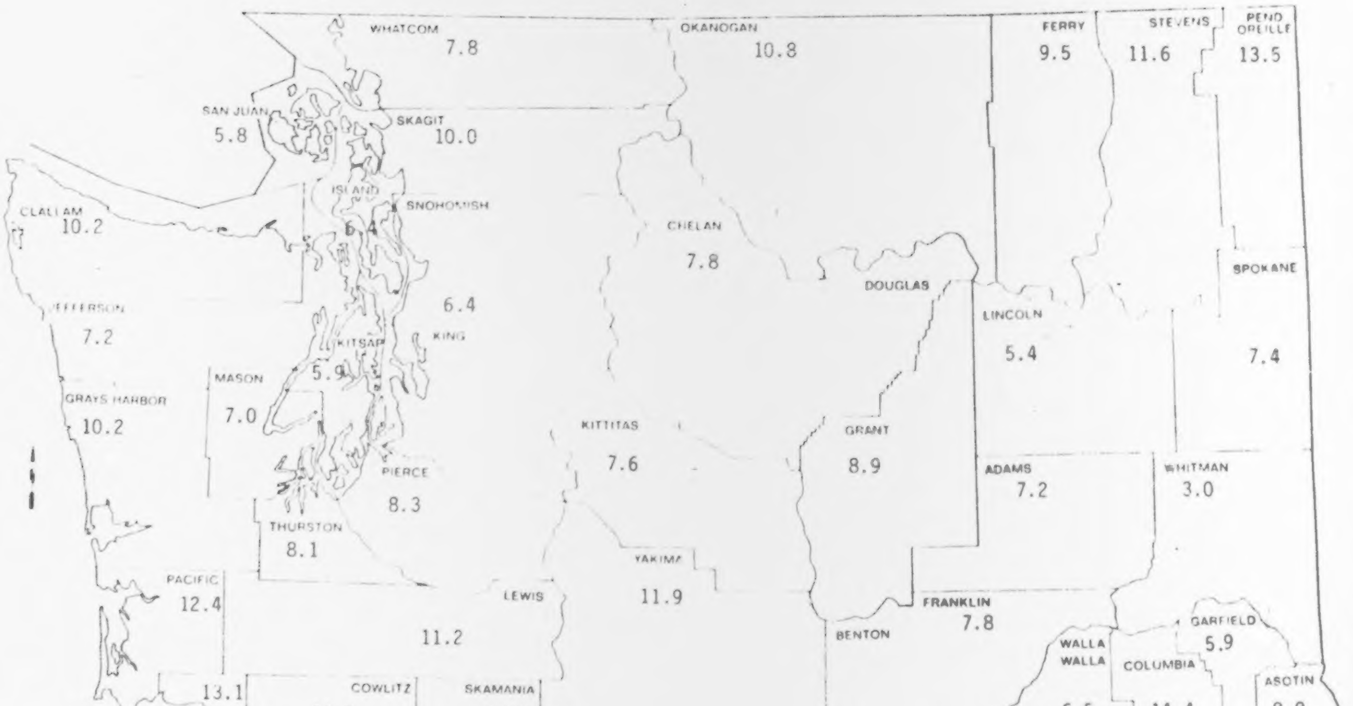
1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.



OCTOBER 1985
UNEMPLOYMENT
RATES

OVER 10.0
8.1 - 10.0
7.0 - 8.0
UNDER 7.0



WHATCOM 7.8
OKANOGAN 10.8
FERRY 9.5
STEVENS 11.6
PEND OREILLE 13.5
SAN JUAN 5.8
SKAGIT 10.0
ISLAND 6.4
SNOHOMISH
CLALLAM 10.2
CHELAN 7.8
DOUGLAS
SPOKANE 7.4
JEFFERSON 7.2
6.4
KING
LINCOLN 5.4
KITSAP 5.9
MASON 7.0
GRAYS HARBOR 10.2
KITTITAS 7.6
GRANT 8.9
ADAMS 7.2
WHITMAN 3.0
PIERCE 8.3
THURSTON 8.1
YAKIMA 11.9
PACIFIC 12.4
LEWIS 11.2
FRANKLIN 7.8
BENTON
GARFIELD 5.9
WALLA WALLA 6.5
COLUMBIA 14.4
ASOTIN 8.8
WAHKIAKUM 13.1
COWLITZ 11.6
SKAMANIA 11.9
CLARK 8.5
KLICKITAT 10.0
STATE OF WASHINGTON 7.5

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	OCT. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		OCT 1985	SEP 1985	OCT 1984	OCT 1985	SEP 1985	OCT 1984	OCT 1985	SEP 1985	OCT 1984
TOTAL MANUFACTURING INDUSTRIES *	184,500	$459.76	$457.41	$451.23	39.6	39.5	39.0	$11.61	$11.58	$11.57
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	34,200	460.98	456.30	431.22	39.4	39.1	37.4	11.70	11.67	11.53
Primary metal industries......	9,400	502.58	511.46	568.92	40.4	40.4	40.9	12.44	12.66	13.91
Fabricated metal products.....	8,500	428.35	454.91	456.92	38.8	39.8	40.4	11.04	11.43	11.31
Machinery....................	16,400	384.87	391.72	357.74	39.8	40.3	38.8	9.67	9.72	9.22
Food & kindred products.......	26,400	349.98	346.67	350.03	38.0	37.6	37.8	9.21	9.22	9.26
Chemicals & allied products...	5,300	609.55	604.22	545.24	43.2	43.5	41.4	14.11	13.89	13.17
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	67,100	589.17	591.46	572.70	36.8	36.6	35.2	16.01	16.16	16.27
Wholesale and retail trade.... (excludes eating & drinking places)	261,900	316.69	327.01	311.33	34.2	34.9	34.1	9.26	9.37	9.13

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

Employment Security Department
KG-11
Olympia WA 98504-5311

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U.S. MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449

THIRD CLASS MAIL

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

S8340-3

JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 9, Number 12

December 1985

HIGHLIGHTS

Seasonal Factors Negative

Total unemployment in Washington State rose to 168,700 or 8.0 percent of the labor force in November, up from 159,800 or 7.5 percent in October. Increases in unemployment are expected at this time of the year because of the effect of adverse weather conditions on outdoor activities and the end of the summer tourist season. The increase this year was slightly less than usual. The seasonally adjusted jobless rate dipped from 8.2 to 8.1 percent over the month. Had the unseasonably cold and snowy weather hit the state during the week of the 12th, the week to which the estimates relate, instead of the following week, unemployment would have gone up much more.

	Nov. 1985* (Prel.)	Oct. 1985* (Rev.)	Nov. 1984
Civilian Labor Force	2,107,300	2,122,800	2,054,400
Total Employment	1,938,600	1,963,000	1,864,900
Total Unemployment	168,700	159,800	189,500
State Unemployment Rate	8.0	7.5	9.2
National Civilian Unemployment Rate	6.7	6.8	6.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Total employment fell 24,400 from October with a sizable drop in agriculture following the completion of the apple harvest. The loss in nonagricultural wage and salary employment was limited to 8,300 as seasonal losses were cushioned by the hiring of temporary holiday sales workers, further gains in public education and continued expansion in aerospace.

Substantial Expansion Over the Year

November data show the strong expansion in the state continuing despite the seasonal downturn. On a seasonally adjusted basis, total employment rose from 1,939,700 to 1,952,300 between October and November. Over the year, total employment in the state was up 73,700, enough to provide jobs for persons newly entering or re-entering the labor force and to reduce unemployment by 20,800. The jobless rate in November 1984 was 9.2 percent compared with 8.0 percent this November.

Nonfarm payroll employment itself was up nearly 48,000 over the year. The major areas of job growth were in the services industries (up 16,200) and retail trade (up 12,400), but the underpinning for the expansion was in aerospace (up 8,500), and construction (up 4,800), with an assist from chemicals manufacturing (up 900) and firms producing fabricated metals (up 700).

State Outpaced Nation

The expansion in Washington State has been considerably stronger than for the nation over the past year. Between November 1984 and 1985, total employment in the state rose nearly 4 percent, more than double the 1.9 percent increase in the nation. A major factor accounting for the difference in growth rates is the strength of the aerospace industry, and its relative importance in Washington State.

While aerospace accounts for less than 4 percent of all manufacturing employment in the nation, it employs about 27 percent of all manufacturing workers in Washington State. Employment in many other manufacturing industries in this state as well as nationally has been hurt by foreign competition. Aerospace has also been affected by foreign competition in the commercial aircraft segment of the industry, but technical leadership, product reputation, and competitive pricing have enabled The Boeing Company to maintain its position as the leading manufacturer of jet airliners in the world. In addition, defense contracts are a major segement of the aerospace industry, and these contracts are largely limited to domestic firms because of the strategic importance of this work to national defense. Defense spending has grown rapidly in the past several years, and Boeing is one of the nation's largest defense contractors.

Gap In State-National Unemployment Rate Narrows

Reflecting more rapid employment growth than in the nation, the gap between the national and state unemployment rates has narrowed considerably over the last year. On a seasonally adjusted basis, the jobless rate nationally was 7.0 percent in November 1984 compared with a rate of 9.2 percent for Washington State, a gap of 2.2 points. In November 1985, however, the national rate was 6.9 percent compared with a state rate of 8.1 percent, a gap of 1.2 points.

Since 1970 the state unemployment rate has averaged 2.1 points above the national rate, ranging from a high of 4.3 points in 1970 when the state's economy was seriously depressed by a sharp downturn in aerospace payrolls, to a low of 0.8 points in 1978 and 1980 when aerospace payrolls were relatively high.

Although the amount by which the state rate exceeds the national rate can largely be explained by employment levels in aerospace, other factors play a major part. Inmigration is one of those factors. Washington is still a growing state with more people moving into the state than leaving, which increases competition for jobs and, thus, unemployment. Population growth, too, requires a greater than normal amount of construction activity to provide additional public and private facilities. Construction, of course, is a highly seasonal industry in the Northwest, which results in higher unemployment rates. Aside from construction, the economic base of the state differs from that of the nation in that it has a higher proportion of seasonal and volatile industries with high rates of separation and unemployment. Agriculture is particularly important in this respect along with food processing, lumber and shipbuilding.

Outlook For 1986 Promising

The outlook for the state's economy as we begin 1986 is promising. Employment expansion may not match that of 1985, but it should be sufficient to provide jobs to new entrants to the labor force and to reduce unemployment moderately. Reasons for this optimistic view are that growth in aerospace, the state's largest manufacturing industry, should continue because of Boeing's huge order backlog. The aerospace expansion may not match that of 1985, but it should still be signficant. The decline in the value of the dollar relative to most foreign currencies should benefit export industries. Lower oil prices resulting from competition between OPEC countries and other oil exporting nations, should keep inflation under control. In addition, we are entering this year with lower interest rates which will stimulate interest sensitive industries.

In 1986, as in 1985, the major improvement in the state's economy will be in the Puget Sound area. Aside from possible further growth in aerospace, secondary effects of the 1985 aerospace expansion will continue to stimulate the economy. Counties largely dependent on the lumber industry, on the other hand, are likely to remain depressed in 1986. There is no indication of any improvement in this industry. Unemployment in many of these areas dropped in 1985 but mainly due to out-migration. Out-migration from these areas will probably continue in 1986.

Decline in Dollar's Value

How soon and how much the decline in the value of the dollar will help U.S. manufacturers improve their competitive position in world as well as domestic markets is being widely debated. The value of the Japanese yen has dropped about 20 percent relative to the dollar over the last year. The immediate impact so far has been price increases for many of the Japanese automobiles and consumer electronic products we import. Domestic electronic manufacturers have responded by raising their prices too, rather than going for a larger market share by holding their prices stable. This may improve their profits, but it doesn't help regain jobs lost to foreign competition in previous years. Domestic automobile manufacturers, on the other hand, have launched a new round of financing incentives which, in effect, lowers car prices. This should make domestic cars more competitive with imports and help improve employment opportunities for U.S. automobile workers.

Decline in Dollar Depends on Reducing Deficit

A continuation of the dollar's decline, which makes U.S. goods less expensive relative to foreign goods, depends mainly on reducing the federal deficit. The huge deficits of recent years have kept U.S. interest rates high relative to rates in foreign countries. The prime rate in Japan, for example, is only 5.5 percent versus 9.5 percent in the U.S. As a result, foreign investors buy U.S. dollars so that they can loan money at higher rates in this country, thus, driving the value of the dollar up. The decline of the dollar in recent months has resulted from the intervention of central banks in foreign exchange markets; they have sold dollars for other currencies driving the value of the dollar down. How effective this tactic will be in the long run is questionable. The reason foreign banks have intervened has been to discourage Congress from enacting laws to reduce foreign imports.

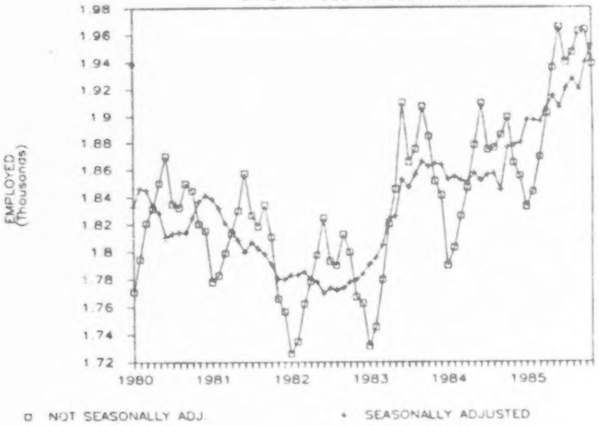
Some Helped Some Hurt

The effect of the declining dollar on the state's economy should be positive on balance; some firms in the state will be helped but a few will be hurt. The latter will include firms importing and providing distribution services for foreign products. Industries and firms which will be helped the most are those in direct competition with foreign manufacturers, including those which are major exporters. In Washington State major export industries are agriculture, lumber, pulp-paper, chemicals, metals, machinery and aerospace.

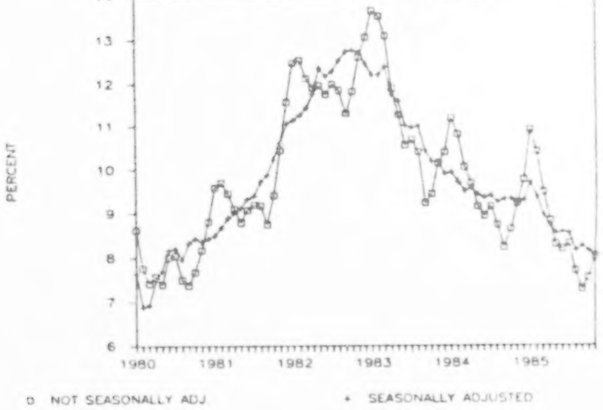
Little Help For Lumber Industry

The "overall" decline in the dollar's value, however, will not help the state's lumber industry much. The industry's major problem is the low value of the Canadian dollar relative to the U.S. dollar. The result is that Canadian mills can sell lumber in many major U.S. markets at a price Northwest mills cannot meet and still operate at a profit. Unfortunately, while the dollar's value has declined in terms of the yen and most other currencies, it has increased slightly over the year in terms of the Canadian dollar. At the end of 1985, the U.S. dollar was worth 1.40 Canadian dollars versus 1.32 at the close of 1984. As recently as 1976 the U.S. and Canadian dollars traded at near equal value.

STATE TOTAL EMPLOYMENT
JANUARY 1980–NOVEMBER 1985



STATE UNEMPLOYMENT RATE
JANUARY 1980–NOVEMBER 1985



Manufacturing Industries

Manufacturing employment fell 4,800 between October and November with several industries reporting seasonal losses. The largest was in food products where employment fell 3,300 with food preserving past its seasonal peak. Employment in lumber and wood products, down 1,300, also fell as deteriorating weather closed some logging operations and sawmills and plywood plants cut back because of a seasonal drop in the demand for building products. Job losses in food, lumber and other industies were cushioned somewhat by a further expansion in aerospace which added 1,100 workers over the month.

Aerospace Outlook Bright

A total of 390 jet airliners valued at $14.9 billion were ordered from The Boeing Company in 1985, up from 168 aircraft valued at $5.7 billion in 1984. Boeing delivered 198 planes in 1985 and expects to deliver 235 in 1986. Boeing views its order prospects for 1986 favorably. The order volume may be down but the value will likely be higher because of the trend towards the purchase of larger airplanes. Growing air traffic control congestion is expected to force more airlines to order larger aircraft. The cost of a 747 equals the cost of five 737s.

Airline passenger traffic, which grew to 7 to 9 percent in 1985, is expected to increase 5 to 6 percent in 1986. According to one industry analyst, airlines will order about 400 aircraft in 1986. Most of those orders will be for new aircraft since few used airliners are on the market. Boeing is expected to continue to get most of the new orders.

Boeing Competes For Fighter Contract

Boeing and seven other companies are competing for an advanced tactical fighter plane contract that could result in a $45 billion contract to the winner. Half of the competitors will be eliminated in August, leaving three or four to bid for full-scale development and production. The Air Force plans to build 750 of the fighters for use in the next decade. Boeing has been working on proposals for the plane for ten years and has won $125 million in related research contracts. It has also invested $125 million of its own money in the project. The winning company will be determined in 1989.

One of Every Three Lumber Jobs Gone Since 1978

The lumber industry continues to operate at a depressed level and there appears to be little reason to expect a recovery in the near future. Employment in the industry was down 2,800 over the year in November but that reflects only a minor portion of the industry's retrenchment. Since November 1978, when the industry was strong and healthy, more than one of every three lumber jobs has disappeared. Employment in the state's lumber industry totaled 55,800 in November 1978, 19,400 more than in November 1985.

Tax Proposals Unfavorable to Lumber Industry

Moreover, recent developments are not encouraging. The tax reform bill passed by the House of Representatives would eliminate capital gains treatment for profits on harvested timber and the right to deduct the costs of producing trees in the year in which they are incurred. The tax bill is unlikely to pass the Senate and gain approval of the President in its current form. If these proposals survive, however, it would further depress the industry.

Simpson Closes Three Operations

Simpson Timber Company is closing three operations in Mason and Grays Harbor counties in December. The shutdowns had been scheduled in early 1985. Included in the closures are the Camp Grisdale logging operation, an old growth sawmill in Shelton and a planing mill. In all, 600 Simpson workers will have lost their jobs in 1985. The company will continue to operate two sawmills, a planing mill and a plywood plant in and near Shelton.

Downturn in Lumber Closes Chemical Plant

Reflecting the interdependence of industry, Reichhold Chemical Company closed its Tacoma resin plant at the end of December 1985. The plant produced resins which were used in the manufacture of plywood and particle board. Local demand for the resins declined because of the drop in Northwest plywood and particle board production. The plant employed 30 workers.

Shipbuilding Payrolls Down Again

Shipbuilding employment fell 400 in November and was 2,200 below its year-ago level. The problem facing private shipyards are national in scope, competition from lower-wage yards in Japan and Korea and a decline in the demand for new ships. The problem in Puget Sound shipyards is compounded because they have higher wage rates than their east coast and gulf coast competitors.

According to an industry spokesman, 30 private shipyards have gone out of business in the last eight years. Remaining are 24 major and 85 smaller shipyards, but he expects seven major and 35 smaller yards to close by 1990 because they are unable to compete with foreign shipyards.

To maintain viability of the nation's shipbuilding industry, a recent Congressional Budget Office report recommended government subsidies to encourage the building of 20 merchant ships a year. The subsidy would cost over $1 billion. In December, Congress provided $852 million for shipbuilding collected through special taxes over the years. The administration is opposed to direct subsidies for shipbuilding but has shifted new construction and repair work from Navy shipyards to private yards. Since 1981, the number of private yards involved in Navy work has increased from nine to twenty-one. Navy contracts now account for more than 80 percent of the industry's business.

Aluminum Prices Up But Not Enough

Employment dropped 300 in both fabricated metal products and aluminum in November. The loss in fabricated metals, however, largely resulted from a seasonal decline at firms manufacturing wood stoves and building materials. In addition, employment in the industry remained 700 above its year-ago level. In aluminum, on the other hand, the drop resulted from the low market price for aluminum. One ray of hope for the industry was an increase in the price for primary aluminum from 45.6 cents a pound in November to 53.5 cents in December. The cost of producing aluminum in some Northwest plants, however, is 60 cents per pound. Employment in Washington aluminum industry was down 800 over the year in November.

2000 Jobs To End In Tacoma

The downturn in oil prices may help contain inflation, but its not without costs. Approximately 2,000 workers are now employed in Tacoma building oil-field modules (nonelectrical machinery). Because of declining oil prices, oil companies are curtailing exploration and recovery projects in Alaska. Without this work, there is no need for additional oil field modules. The modules are built in the fall, winter and spring and barged to Alaska in the summer. The 1987 shipment will be virtually non-existent.

Nonmanufacturing Industries

In the nonmanufacturing industries the largest employment changes between October and November were in construction and retail trade where seasonal changes offset each other. Employment in the building trades fell 3,900 as inclement weather delayed some projects and shut down others. In addition, contractors began few new projects as ususal in November because of the approach of winter. Over the year, however, construction payrolls were up 4,800 in November.

Value of Construction Projects up 17 Percent Over the Year

Data on the value of construction projects in the state collected by F.W. Dodge show the cummulative value of projects for which permits were issued in the first eleven months of 1985 advancing 17 percent from the comparable period in 1984. The value of nonresidentual building projects (commerical, public, manufacturing buildings, etc) was up 40 percent over the year, while nonbuilding construction (streets, highways, water systems, etc.) was up 16 percent. Residential building managed only a 3 percent gain over the year and all of the increase was in apartment buildings. The number of units in apartment buildings for which permits were obtained this year was up 40 percent from 1984, while permits taken out for single family houses fell 6 percent year to year. The acceleration in the building of apartments and commercial buildings this year may have resulted, in part, from the possibility that the tax incentives for building and owning these facilities may be adversely affected by tax reform in 1986.

Santa's Helpers

Retail trade employment rose 3,900 between October and November to match its gain over the similar period in 1984. The gain, of course, resulted from the hiring of temporary workers for the holiday sales period.

Personal Income And Spending Up, But Debt At Record High

Nationally, personal income rose 0.6 percent in November for its largest advance in seven months, while spending rose 0.9 percent. The rise in consumer spending, however, followed a 1.4 percent decline in October, and despite the increase in November several analysts are predicting a cutback in spending because of a record level of consumer debt. According to the U.S. Department of Commerce, consumer debt was at an all-time high of 19.2 percent of disposable income in November.

Services Down Seasonally

Employment in the services industries continued to contract seasonally between October and November as weather conditions reduced tourist business and other outdoor activities. Most of the 2,500 jobs lost over the month occurred at hotels-motels and in amusements. The largest drop in the latter resulted from the end of the racing season and cutbacks at golf courses. Year-to-year, however, services employment was up 16,200; 40 percent of the expansion was in business services, i.e., personnel supply-temporary help, data processing services, janitorial, etc.

National Context

Modest Growth Forecast for 1986

Most analysts see the national economy continuing to expand modestly in 1986; few are predicting a recession. The National Administration's forecast for 1986 is one of the most optimistic. The forecast by the Reagan administration is for a 4 percent increase in the Gross National Product (GNP). The GNP in 1985 rose 2.8 percent. By contrast, a survey of 300 economists resulted in an average forecast of 2.9 percent for GNP growth in 1986. Only 37 percent of the economists polled expected a recession in 1986.

Leading Indicators Up Slightly

The Index of Leading Economic Indicators inched up 0.1 percent in November, mainly due to a large rise in stock market prices. Other indicators pushing the index up in November included a rise in new business formations, higher sensitive material prices, and increased orders for consumer goods and materials. Leading indicators reflecting weakness in the economy included lower business and consumer borrowing, a drop in the number of companies receiving slower delivery from vendors, fewer contracts and orders for plant and equipment, a decline in building permits and a rise in claims for unemployment insurance.

Job Want-Ad Volume Up

Newspaper want ads for job applicants in December 1985 were up substantially from one year earlier. A survey of 51 major newspapers conducted by the Conference Board in New York indicated want-ad volume began to rise in the summer and reached a peak in November. The Board expects the momentum to continue at least into the first few months of 1986. Consistent with the survey, the national unemployment rate was at its lowest level in five years in December.

Forecast For Timber Industry Gloomy

A report issued jointly by Washington State University, Oregon State University and the University of Idaho suggests that the Northwest forest-products industry is in for another difficult year despite continued growth in U.S. softwood consumption. The report doubts that Congress will enact a lumber tariff bill to protect domestic producers from foreign competition. The report also cites continuing strength in the U.S. dollar, an uncertain Japanese market, and the Korean government's emphasis on substituting concrete for wood in construction projects to reduce imports. Consistent with this report is that the U.S. dollar has not declined in relationship with the Canadian dollar. As a result Canada is likely to continue to dominate Pacific Rim lumber markets as well as to hold on to its large share of the U.S. market.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Nov. 1985	Oct. 1985	Nov. 1984	Nov. 1985	Oct. 1985
U.S. City Average	326.6	325.5	315.3	+3.6	+3.2
Seattle-Everett	324.0	N/A	318.1	+1.9	N/A

Area Wage Survey Reports Available For Lewis And Grant Counties

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed Occupational Wage Surveys for the Lewis and Grant county areas. The surveys, based upon data from 138 establishments in Lewis County and 172 in Grant County, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The reports, titled "AREA WAGE SURVEY, LEWIS COUNTY, OCTOBER 1985" and "AREA WAGE SURVEY, GRANT COUNTY AREA, OCTOBER 1985," are available on request from Labor Market and Economic Analysis, P.O. Box 46502, Seattle, Washington 98146. Phone (206) 754-6453.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Nov. 1985 (Prel.)	Oct. 1985 (Rev.)	Nov. 1984 (Rev 4/)	Oct. 1984 (Rev 4/)	Numerical Change Oct. 85 to Nov. 85	Numerical Change Nov. 84 to Nov. 85
TOTAL NONAG. WAGE AND SALARY.	1,713.3	1,721.6	1,665.6	1,669.0	-8.3	+47.7
TOTAL MANUFACTURING.........	292.1	296.9	288.8	291.3	-4.8	+3.3
Durable Goods..............	203.3	204.3	201.1	201.0	-1.0	+2.2
Lumber & Wood Products....	36.4	37.7	39.2	40.0	-1.3	-2.8
Furniture & Fixtures......	3.3	3.3	3.3	3.4	0.0	0.0
Stone Clay & Glass Prod...	6.4	6.6	6.7	6.7	-0.2	-0.3
Primary Metal Industries..	11.7	12.1	12.9	13.0	-0.4	-1.2
Aluminum Prod.& Proc.....	7.6	7.9	8.4	8.4	-0.3	-0.8
Fabricated Metal Prod.....	10.7	11.0	10.0	10.1	-0.3	+0.7
Machinery................	27.7	27.2	27.9	28.1	+0.5	-0.2
Machinery exc. Elect.....	15.9 3/	15.4	16.0	16.2	+0.5	-0.1
Electrical & Electronic..	11.8	11.8	11.9	11.9	0.0	-0.1
Transportation Equipment..	92.4	91.7	86.1	84.8	+0.7	+6.3
Aerospace................	79.8	78.7	71.3	70.0	+1.1	+8.5
Other Transp. Equip......	12.6	13.0	14.8	14.8	-0.4	-2.2
Instruments & Rel. Prod...	10.2	10.2	10.3	10.2	0.0	-0.1
Misc. Manufacturing Ind...	4.5	4.5	4.7	4.7	0.0	-0.2
Nondurable Goods..........	88.8	92.6	87.7	90.3	-3.8	+1.1
Food & Kindred Products...	30.2	33.5	30.4	33.4	-3.3	-0.2
Canned & Preserved Foods.	11.4	14.5	10.7	13.5	-3.1	+0.7
Apparel & Other Text.Prod.	6.5	6.6	6.4	6.5	-0.1	+0.1
Paper & Allied Products...	15.8	16.1	16.0	15.7 3/	-0.3	-0.2
Printing & Publishing.....	17.3	17.3	17.2	17.0	0.0	+0.1
Chemicals & Allied Prod...	11.6	11.6	10.7	10.7	0.0	+0.9
Other Nondurable Goods 2/.	7.4	7.5	7.0	7.0	-0.1	+0.4
MINING & QUARRYING.........	2.7	2.8	2.7	2.8	-0.1	0.0
CONSTRUCTION...............	83.0	86.9	78.2	81.1	-3.9	+4.8
TRANS.& PUBLIC UTILITIES....	92.4	93.2	90.9	91.3	-0.8	+1.5
WHOLESALE & RETAIL TRADE....	427.0	424.0	412.2	409.5	+3.0	+14.8
Wholesale Trade...........	105.8	106.7	103.4	104.6	-0.9	+2.4
Retail Trade..............	321.2	317.3	308.8	304.9	+3.9	+12.4
FIN. INS. & REAL ESTATE.....	98.2	97.9	94.7	94.6	+0.3	+3.5
SERVICES...................	370.2	372.7	354.0	355.4	-2.5	+16.2
GOVERNMENT.................	347.7	347.2	344.1	343.0	+0.5	+3.6
Federal...................	69.3	69.3	69.5	69.8	0.0	-0.2
State & Local.............	278.4	277.9	274.6	273.2	+0.5	+3.8
Education................	150.0	148.3	150.6	149.1	+1.7	-0.6
(WORKERS IN LABOR-MANAGEMENT DISPUTES).................	0.1	0.0	0.0	0.3	+0.1	+0.1

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: December 20, 1985
Benchmark: 1984

(Not Seasonally Adjusted)

	November 1985 Preliminary 1/				October 1985 Revised 1/				November 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,107,300	1,938,600	168,700	8.0	2,122,800	1,963,000	159,800	7.5	2,054,400	1,864,900	189,500	9.2
Bellingham MSA	53,100	48,400	4,700	8.9	53,600	49,400	4,200	7.8	49,700	44,100	5,600	11.3
Bremerton MSA	65,900	61,900	4,000	6.1	65,600	61,700	3,900	5.9	64,500	60,100	4,400	6.8
Olympia MSA	63,500	58,500	5,000	7.9	63,900	58,800	5,100	8.0	60,000	54,400	5,600	9.3
Seattle PMSA	953,100	893,700	59,400	6.2	953,400	892,000	61,400	6.4	925,600	858,200	67,400	7.3
Spokane MSA	162,800	149,800	13,000	8.0	163,200	151,200	12,000	7.4	160,200	147,100	13,100	8.2
Tacoma PMSA	203,700	187,400	16,300	8.0	202,500	186,100	16,400	8.1	194,500	175,600	18,900	9.7
Tri-Cities MSA 2/	70,500	63,700	6,800	9.6	71,500	65,900	5,600	7.8	70,400	61,800	8,600	12.2
Vancouver PMSA	96,200	88,000	8,200	8.5	97,500	89,400	8,100	8.3	92,000	83,500	8,500	9.2
Yakima MSA	80,800	69,100	11,700	14.5	87,400	77,100	10,300	11.8	79,200	68,100	11,100	14.0
Adams	6,900	6,020	880	12.8	7,270	6,740	530	7.3	6,740	5,910	830	12.3
Asotin	8,680	7,820	860	9.9	8,700	7,920	780	9.0	8,230	7,490	740	9.0
Clallam	19,020	16,820	2,200	11.6	18,960	17,050	1,910	10.1	19,720	17,050	2,670	13.5
Columbia	1,850	1,510	340	18.4	1,880	1,600	280	14.9	1,610	1,370	240	14.9
Cowlitz	32,240	28,190	4,050	12.6	32,490	28,700	3,790	11.7	33,230	28,870	4,360	13.1
Ferry	2,590	2,280	310	12.0	2,620	2,360	260	9.9	2,430	2,070	360	14.8
Garfield	1,110	1,010	100	9.0	1,180	1,110	70	5.9	1,030	960	70	6.8
Grant	22,030	19,520	2,510	11.4	23,030	21,000	2,030	8.8	21,820	18,870	2,950	13.5
Grays Harbor	27,760	24,540	3,220	11.6	28,140	25,300	2,840	10.1	29,350	24,450	4,900	16.7
Island	16,340	15,300	1,040	6.4	16,530	15,490	1,040	6.3	15,300	13,970	1,330	8.7
Jefferson	6,570	6,010	560	8.5	6,750	6,260	490	7.3	6,580	5,920	660	10.0
Kittitas	10,870	9,690	1,180	10.9	11,150	10,300	850	7.6	11,020	9,700	1,320	12.0
Klickitat	6,540	5,520	1,020	15.6	6,490	5,860	630	9.7	7,290	6,200	1,090	15.0
Lewis	23,900	20,740	3,160	13.2	24,410	21,700	2,710	11.1	23,990	20,060	3,930	16.4
Lincoln	4,120	3,820	300	7.3	4,400	4,160	240	5.5	3,970	3,720	250	6.3
Mason	11,830	10,890	940	7.9	11,550	10,700	850	7.4	11,360	10,130	1,230	10.8
Okanogan	13,840	11,800	2,040	14.7	14,020	12,500	1,520	10.8	13,810	11,440	2,370	17.2
Pacific	6,710	5,670	1,040	15.5	6,640	5,830	810	12.2	7,210	5,460	1,750	24.3
Pend Oreille	3,790	3,210	580	15.3	3,860	3,330	530	13.7	4,130	3,500	630	15.3
San Juan	3,790	3,470	320	8.4	3,930	3,700	230	5.9	3,870	3,560	310	8.0
Skagit	32,120	28,340	3,780	11.8	32,460	29,210	3,250	10.0	32,020	27,230	4,790	15.0
Skamania	2,630	2,170	460	17.5	2,610	2,310	300	11.5	2,600	2,030	570	21.9
Stevens	11,250	9,620	1,630	14.5	11,390	10,080	1,310	11.5	11,500	9,830	1,670	14.5
Wahkiakum	1,270	1,000	270	21.3	1,140	990	150	13.2	1,280	1,070	210	16.4
Walla Walla	25,670	23,420	2,250	8.8	25,830	24,130	1,700	6.6	24,800	22,450	2,350	9.5
Wenatchee Labor Area 3/	36,610	32,680	3,930	10.7	38,430	35,420	3,010	7.8	37,100	33,090	4,010	10.8
Whitman	17,790	17,190	600	3.4	18,350	17,790	560	3.1	16,290	15,680	610	3.7

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

December 20, 1985
Benchmark 1984

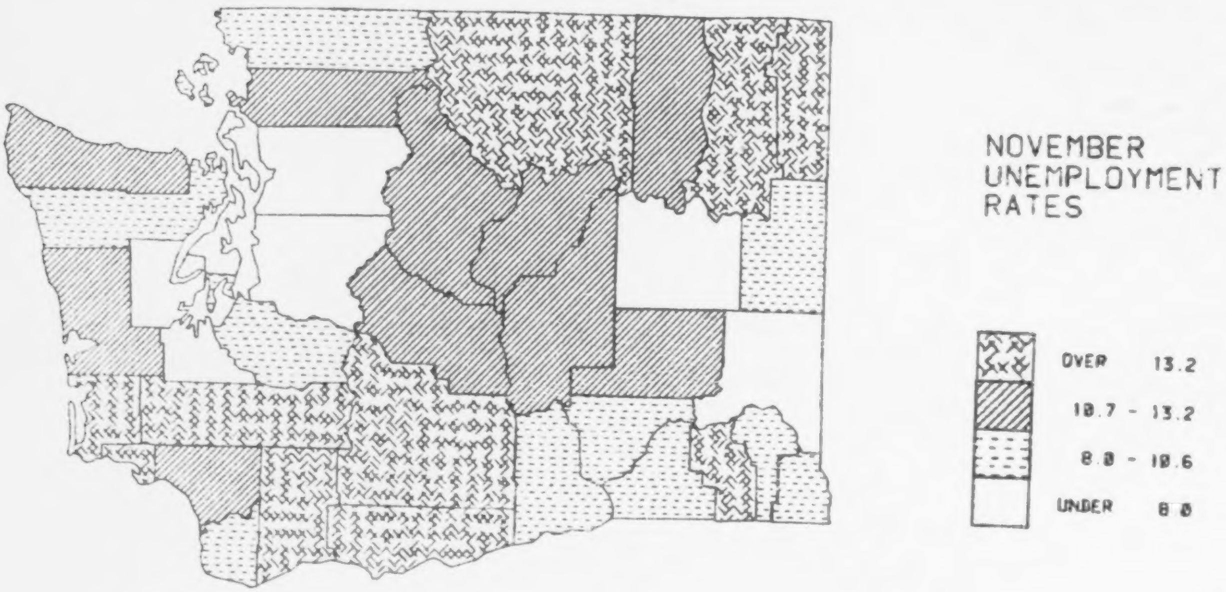
(Not Seasonally Adjusted)

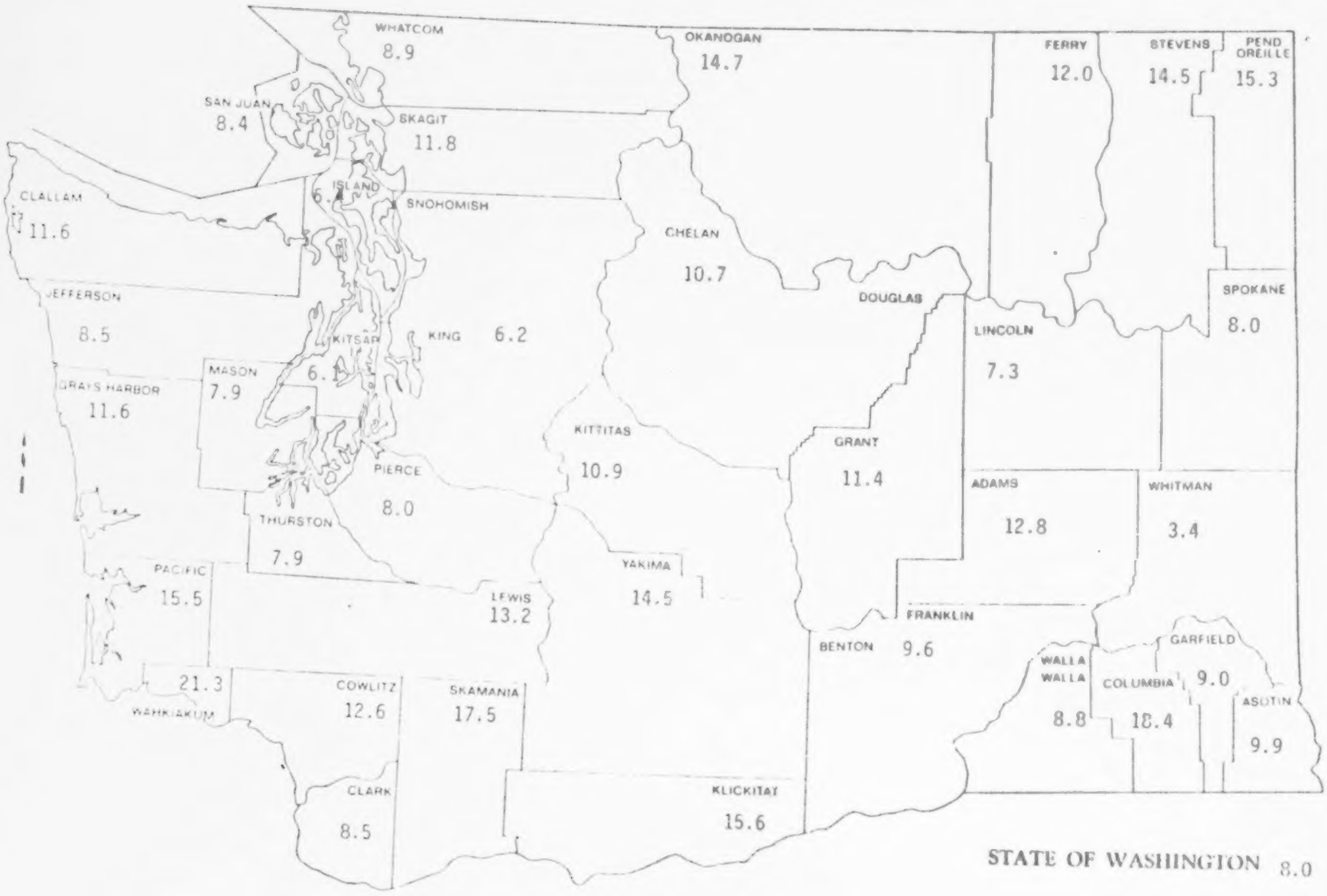
	November 1985 Preliminary 1/				October 1985 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,094,300	1,931,800	162,500	7.8	2,105,800	1,950,000	155,800	7.4
Bellingham MSA	52,700	48,200	4,500	8.5	53,100	49,000	4,100	7.7
Bremerton MSA	65,400	61,600	3,800	5.8	65,100	61,300	3,800	5.8
Olympia MSA	63,100	58,300	4,800	7.6	63,400	58,400	5,000	7.9
Seattle PMSA	947,800	890,600	57,200	6.0	945,900	886,100	59,800	6.3
King County	744,300	700,600	43,700	5.9	743,100	697,000	46,100	6.2
Snohomish County	203,500	190,000	13,500	6.6	202,800	189,100	13,700	6.8
Spokane MSA	161,800	149,300	12,500	7.7	161,900	150,200	11,700	7.2
Tacoma PMSA	202,500	186,800	15,700	7.8	200,800	184,800	16,000	8.0
Tri-Cities MSA 2/	70,100	63,500	6,600	9.4	71,000	65,500	5,500	7.7
Vancouver PMSA	95,600	87,700	7,900	8.3	96,700	88,800	7,900	8.2
Yakima MSA	80,100	68,800	11,300	14.1	86,700	76,600	10,100	11.6
Adams	6,850	6,000	850	12.4	7,210	6,690	520	7.2
Asotin	8,620	7,790	830	9.6	8,630	7,870	760	8.8
Clallam	18,880	16,760	2,120	11.2	18,790	16,930	1,860	9.9
Columbia	1,830	1,510	320	17.5	1,860	1,590	270	14.5
Cowlitz	31,990	28,090	3,900	12.2	32,210	28,510	3,700	11.5
Ferry	2,580	2,280	300	11.6	2,590	2,340	250	9.7
Garfield	1,100	1,010	90	8.2	1,170	1,100	70	6.0
Grant	21,870	19,450	2,420	11.1	22,850	20,870	1,980	8.7
Grays Harbor	27,560	24,450	3,110	11.3	27,900	25,130	2,770	9.9
Island	16,250	15,250	1,000	6.2	16,400	15,390	1,010	6.2
Jefferson	6,530	5,990	540	8.3	6,700	6,220	480	7.2
Kittitas	10,780	9,650	1,130	10.5	11,060	10,230	830	7.5
Klickitat	6,480	5,500	980	15.1	6,430	5,820	610	9.5
Lewis	23,700	20,660	3,040	12.8	24,200	21,560	2,640	10.9
Lincoln	4,100	3,810	290	7.1	4,360	4,130	230	5.3
Mason	11,750	10,850	900	7.7	11,460	10,630	830	7.2
Okanogan	13,720	11,750	1,970	14.4	13,890	12,410	1,480	10.7
Pacific	6,660	5,650	1,010	15.2	6,580	5,790	790	12.0
Pend Oreille	3,750	3,200	550	14.7	3,820	3,310	510	13.4
San Juan	3,770	3,460	310	8.2	3,900	3,680	220	5.6
Skagit	31,880	28,240	3,640	11.4	32,190	29,020	3,170	9.8
Skamania	2,600	2,160	440	16.9	2,580	2,290	290	11.2
Stevens	11,150	9,580	1,570	14.1	11,290	10,010	1,280	11.3
Wahkiakum	1,260	1,000	260	20.6	1,130	980	150	13.3
Walla Walla	25,510	23,340	2,170	8.5	25,620	23,970	1,650	6.4
Wenatchee Labor Area 3/	36,340	32,560	3,780	10.4	38,120	35,190	2,930	7.7
Whitman	17,710	17,130	580	3.3	18,210	17,670	540	3.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.

Labor Market and Economic Analysis Branch


NOVEMBER
UNEMPLOYMENT
RATES
OVER 13.2
10.7 - 13.2
8.0 - 10.6
UNDER 8.0


WHATCOM
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FERRY
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STEVENS
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PEND OREILLE
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SAN JUAN
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SKAGIT
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ISLAND
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SNOHOMISH
CLALLAM
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CHELAN
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DOUGLAS
SPOKANE
8.0
JEFFERSON
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KITSAP
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MASON
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GRAYS HARBOR
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KITTITAS
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GRANT
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PIERCE
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ADAMS
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WHITMAN
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THURSTON
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PACIFIC
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LEWIS
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FRANKLIN
BENTON
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GARFIELD
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WALLA WALLA
8.8
COLUMBIA
18.4
ASOTIN
9.9
21.3
WAHKIAKUM
COWLITZ
12.6
SKAMANIA
17.5
CLARK
8.5
KLICKITAT
15.6
STATE OF WASHINGTON 8.0

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	NOV. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		NOV 1985	OCT 1985	NOV 1984	NOV 1985	OCT 1985	NOV 1984	NOV 1985	OCT 1985	NOV 1984
TOTAL MANUFACTURING INDUSTRIES *	178,800	$455.90	$456.96	$448.11	38.8	39.6	38.3	$11.75	$11.59	$11.70
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	32,800	422.87	452.02	395.13	36.9	38.9	34.6	11.46	11.62	11.42
Primary metal industries......	9,100	528.18	506.62	559.87	41.2	40.4	39.4	12.82	12.54	14.21
Fabricated metal products.....	8,200	445.61	431.66	439.65	39.4	39.1	38.6	11.31	11.04	11.39
Machinery.....................	16,500	393.56	385.31	364.06	40.2	39.6	39.4	9.79	9.73	9.24
Food & kindred products.......	23,400	352.48	348.77	350.26	37.3	38.2	36.6	9.45	9.13	9.57
Chemicals & allied products...	5,200	576.77	599.63	545.65	42.1	42.8	41.4	13.70	14.01	13.18
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	63,200	582.11	587.13	569.08	35.8	36.4	34.7	16.26	16.13	16.40
Wholesale and retail trade.... (excludes eating & drinking places)	265,400	320.96	323.61	308.72	34.0	34.5	34.0	9.44	9.38	9.08

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

3/5/86 S8340-3

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 1

January 1986

HIGHLIGHTS

Seasonal Factors Trim Job Total

Total employment in Washington State slipped 11,300 between November and December. Snow and freezing weather throughout the state reduced the number of jobs in agriculture, construction, logging and other outdoor activities. Additional job losses occurred at food processing plants, which were operating near their seasonal lows, and in government. Government civilian payrolls were lower because of seasonal cutbacks in outdoor work (forests, streets, right-of-way maintenance, etc.) and temporary reductions at colleges which were between fall and winter terms.

	Dec. 1985* (Prel.)	Nov. 1985* (Rev.)	Dec. 1984
Civilian Labor Force	2,105,800	2,110,700	2,056,200
Total Employment	1,929,500	1,940,800	1,855,400
Total Unemployment	176,300	169,900	200,800
State Unemployment Rate	8.4	8.0	9.8
National Civilian Unemployment Rate	6.7	6.7	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

November-December job losses, however, were cushioned by the hiring of thousands of temporary holiday sales workers and an expansion at ski resorts, one of the few industries to benefit from winter weather.

State Economy Strong and Growing

An over the year comparison of total employment combined with trends in the seasonally adjusted employment series for the state paints a different picture: employment in the state has been expanding briskly. Between December 1984 and December 1985, total employment in the state rose 74,100. Major areas of growth were in retail trade (up 10,700) and services (up 17,900), but the base for the expansion in these secondary industries was in aerospace (up 8,300) and construction (up 5,200) with an added boost from fabricated metals (up 900), machinery (up 800) and chemicals (up 1,000). And while recent trends in unadjusted employment levels show employment declining because of the loss of seasonal jobs, the seasonally adjusted employment series show that the expansion in employment is continuing. After seasonal adjustment, total employment in Washington State jumped nearly 35,000 from September through December.

In January, total employment will fall sharply from December because of the termination of thousands of holiday sales workers in retail trade and further cutbacks in outdoor industries. These reductions will only mask the underlying growth in the state's economy, however. Growth can be expected to continue for a number of reasons. Chief among these are a further expansion in aerospace, a decline in the dollar and lower oil prices.

Lower Oil Prices Are Good News For State Economy

The drop in oil prices may provide a decided boost for the state and national economy as lower prices work their way down to final users. Crude oil prices on the spot market dropped over 50 percent since late last year, and some analysts expect a sizable drop in the price of refined products by this spring. If so, consumers will have more money to purchase other goods which will benefit a host of industries. Energy prices will also be lower for industry and that will push profits up without price increases. In turn, this will slow inflation and lower interest rates, which will give the economy a further lift. The national budget deficit should be smaller; tax revenues will rise because of an accelerating economy, and interest payments on the federal debt will be lower. The foreign trade deficit will decline, too, as the cost of the oil we import falls. In addition, lower oil prices will improve the economies of our trading partners in Asia and Western Europe which will enable them to buy more of our goods and services.

Declining oil prices will have some negative effects, too. Adverse consequences will include less trade with oil exporting nations and Alaska. The latter is no small matter in Washington State. As reported in the last issue of the Washington Labor Market, the jobs of approximately 2,000 workers in Tacoma, building oil-field modules for Alaska, will end this year. Because of declining oil prices, oil companies are curtailing exploration and recovery projects in Alaska. Overall, however, lower oil prices will stimulate the economy and boost employment substantially.

Unemployment Up Less Than Expected

Seasonal job losses over the month caused unemployment in Washington State to increase from 169,900 and 8.0 percent of the labor force in November to 176,300 and 8.4 percent in December. The increase, however, was slightly less than usual for this time of the year and the seasonally adjusted rate edged down one-tenth point to 8.0 percent in December. The December adjusted rate was the lowest since early 1980.

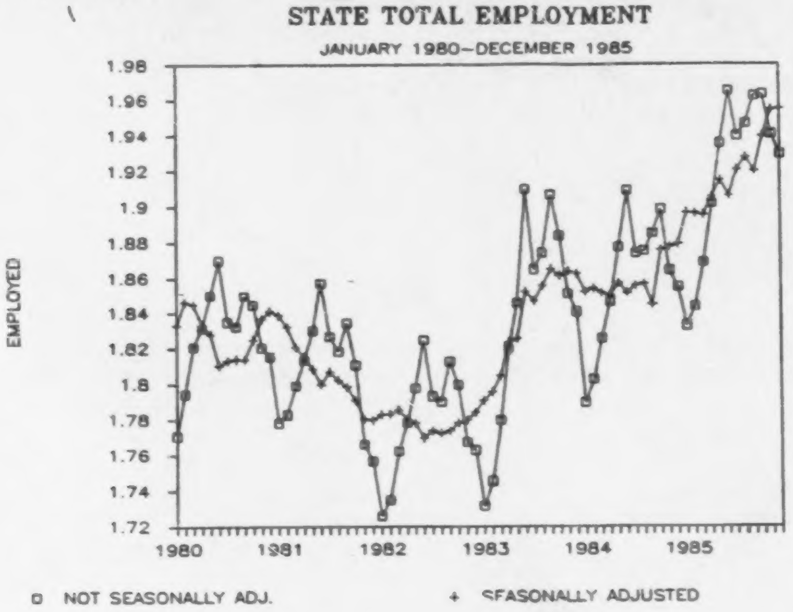
Unemployment Increases More in Eastern Washington

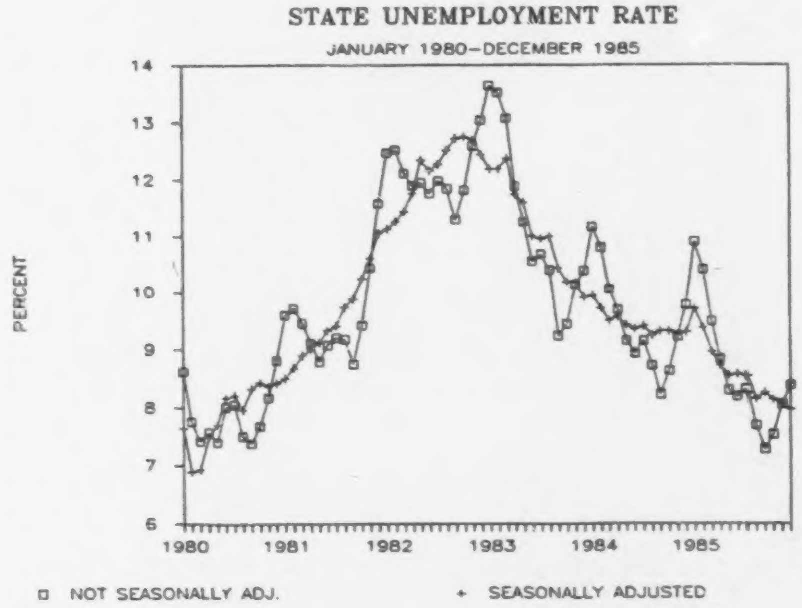
Eastern Washington experienced the largest increase in unemployment between November and December with the overall unemployment rate east of the Cascades increasing from 10.4 to 11.4 percent (unadjusted). In western Washington the rate edged up from 7.4 to 7.5 percent. Weather conditions were more severe in eastern than western Washington this December, and most added unemployment resulted from less activity in agriculture and construction, which are both strongly influenced by weather conditions. A seasonal drop in food processing was also a major factor in the December increase in unemployment; this industry is disproportionately represented in eastern counties. Typical of eastern Washington counties which are highly dependent on agriculture and the related food processing industry were Yakima and Walla Walla. In Yakima County the jobless rate jumped from 14.7 to 16.5 percent between November and December, while the rate in Walla Walla County increased from 8.9 to 10.2 percent. In the more diversified Spokane Metropolitan Area, the unemployment rate rose from 8.0 to 8.5 percent over the month to nearly match the statewide increase.

Unemployment levels changed little in western Washington metropolitan areas but rose sharply in some counties highly dependent on the lumber industry. The rate in the Seattle Metropolitan Area increased from 6.3 to 6.4 percent, while jobless rates in the Tacoma (7.9) and Olympia (7.8) metropolitan areas were unchanged from November. The effect of winter weather on the logging and lumber industry, by contrast, boosted the jobless rate in Clallam County from 11.8 percent in November to 13.4 percent in December. Unemployment rates also moved sharply higher in Skamania (18.2 to 22.1) and Wahkiakum (20.8 to 23.8) counties over the month.

Unemployment Down Sharply Over the Year

Total unemployment in the state dropped 24,500 over the year as employment growth (74,100) was more than sufficient to provide jobs for new and re-entrants to the labor force. Most of the reduction in unemployment was in western Washington because of the expansion in aerospace jobs. The unemployment rate on the west side fell from 9.1 to 7.5 percent over the year. In eastern Washington the unemployment rate fell more moderately, from 12.0 to 11.4 percent.





Manufacturing Industries

Seasonal factors reduced employment in manufacturing 2,100 between November and December. The largest reductions were in lumber - wood products (down 1,400) and food products (down 1,700). The losses were partially offset by job increases in machinery (up 700), aerospace (up 200) and other transportation equipment (up 500).

Boeing to Hire 1,500 New Workers

The Boeing Company announced in January that it expects to boost its workforce in the Puget Sound area by 1,500 during the first six months of 1986. No forecast was provided for the last half of the year. In 1985, the company predicted that their employment in the state would rise 5,000, but the actual increase was nearly twice as great. Most of the growth in the current year is expected to result from the increasing production of jet airliners. Last year set a record for aircraft orders; orders were received for 390 jet aircraft worth approximately $15 billion, nearly triple 1984 totals. Miliary business is expected to drop slightly in 1986 because of cutbacks in defense spending.

The firm's total backlog at the end of 1985 was $24.7 billion with 75 percent of the orders in commercial programs. Analysts say the backlog alone is enough to keep the Renton and Everett Boeing facilities busy for at least two years.

Space Shuttle Diaster May Slow Space Business

While the outlook for commercial jet airliner sales is exceptionally favorable, work on space contracts may be delayed until investigators find out what caused the explosion which destroyed the space shuttle, Challenger, in late January. About 250 people are working on Boeing's bid to be one of the four prime contractors for the $8 billion manned space station scheduled for launch in the 1990's. Boeing is also working on several other space programs which may be delayed. These include a rocket vehicle to launch a satellite from a space shuttle, a space telescope and dozens of study contracts for future space missions. The Strategic Defense Initiative (Star Wars) program could also be delayed by the shuttle explosion as well as by federal budget considerations. Boeing has $750 million in "Star Wars" contracts.

Lumber Industry Jobs At Record Low

Employment in lumber and wood products, the state's second largest manufacturing industry, averaged 37,300 in 1985. This was the industry's lowest employment level in the state's post World War II history. The 1985 average fell 2,100 below the 1982 recession level and was 17,800 lower than recorded in its peak year of 1978.

Many analysts now feel the job level in lumber has reached bottom, but even so, the outlook is not encouraging. One of the major problems in the industry is the loss of markets to Canadian producers because of the decline in the value of the Canadian dollar in terms of the U.S. dollar. The value of the Canadian and U.S. dollars were nearly equal in the mid-1970's but now the Canadian dollar is worth only about 70 cents in U.S. funds. This makes Canadian lumber less expensive to buy than lumber from U.S. mills.

While the U.S. dollar has declined in value in relationship to most other foreign currency in recent months, it has actually appreciated in terms of the Canadian dollar. In early February, the Canadian dollar fell below 70 U.S. cents, down six percent since September. Analysts attribute the decline in the value of Canadian currency to that government's budget deficit which is nearly twice the deficit in the U.S. on a per capita basis.

Lower Interest
Rates Will Help
Lumber Industry

One encouraging development for the industry is the downward trend in interest rates which may decline even further this year because of falling oil prices. The lower rates plus expanding job opportunities will enable more families to purchase new homes, thus, increasing the demand for lumber products. Even with an increase in housing starts, however, the growth in lumber industry jobs will be limited. Canada will still be a major competitor, and domestic mills that remain in production are highly automated.

Workers Added In
Machinery and
Shipbuilding

In other manufacturing industries, nonelectrical machinery added 600 workers in December, and other transportation equipment employment moved up 500. Neither change was particularly significant, however. About half of the gain in nonelectrical machinery was at a firm which will cut back later this year. The increase in other transportation equipment occurred in the volatile shipbuilding segment of the industry. Many industry analysts feel that employment in shipbuilding has bottomed out, but few see any significant expansion in the near future. Tacoma Boatbuilding Company, once the largest private employer in Pierce County, continues to operate under federal bankruptcy law while it prepares a reorganization plan. The plan should be ready in late April.

New Employer
For Bothell Area

Matsushita Avionics Systems Division of Panasonic, a Japanese electronics company, will move its headquarters sales and service office to the Bothell area to be near The Boeing Company. The division's principal products are in-flight entertainment and passenger communication systems for jet airliners. The firm expects to hire more than 100 employees in the next two years.

New Printing Plant For Seattle?

The Seattle area is one of eleven areas being considered by the U.S. Treasury Department for a printing plant to produce postage stamps, currency and government documents. The plant may employ up to 200 workers. Finding a site near the Seattle-Tacoma airport may be the key to encouraging the Treasury Department to build the plant in the Seattle area. Proximity to a major airport is a critical factor in deciding where to locate the plant, according to a Treasury spokesman.

Nonmanufacturing Industries

Major changes in the nonmanufacturing industries between November and December were seasonal losses of 3,100 in government and 2,900 in construction which were partially offset by seasonal upswings in the trade and service industries.

Holidays Create Thousands of Jobs

Retail trade employment rose 3,200 in December as stores continued to add temporary sales workers to help serve holiday shoppers. The holiday jobs more than offset losses at building material and hardware stores which cut back as usual in December. Lower employment was also reported by gasoline service stations and restaurants because of less tourist business. On the wholesale level, employment fell 500 in December because of a normal reduction at fruit and vegetable wholesale houses.

Retail Sales Up

Retail sales around the nation rose two percent in December (seasonally adjusted) to post their sharpest monthly gain in eleven years. The gain in December followed an increase of only 0.7 percent in November and a loss of 1.3 percent in October. The December increase was partially due to a 5.7 percent gain in automobile sales, but other sales also posted healthy gains.

Skiing Boosts Services Jobs

Ski resorts were one of the few industries to benefit from winter weather. The expansion at businesses serving skiers was largely credited with pushing employment in the services group up 1,300 in December.

Service Employment Expanding Rapidly

The services group continued to be the fastest growing industry in the state with employment up 17,900 over the year. The service industry includes a wide range of businesses including hotels-motels, personal services (barbers, laundries, etc.), business services (data processing, temporary help agencies, janitorial services research firms, testing laboratories, advertising agencies, etc.), medical services, private education; and legal, accounting and agricultural services. The major expansions over the past 12 months in services were credited to business and medical services. Business services alone expanded 6,500, while medical service employment rose 3,700. Most of the gain in medical services was at the offices of physicians, dentists and other health practitioners. Hospital employment was down over the year, reversing several years of expansion.

Tighter federal control over Medicare payments to hosptials is the apparent reason. Medicare now pays a flat fee for each type of illness regardless of complications, which encourages hospitals to discharge some Medicare patients earlier than they would have before. Review committees determine whether Medicare patients should have been admitted and how long they should have been treated in the hospital.

December Weather Limits Construction Jobs

Construction employment slipped 2,900 between November and December as snow and extremely cold weather held outdoor projects to a minimum. The loss was no greater than usual for this time of the year, however, and construction employment was up 5,200 over the year in December. According to data on construction published by F.W. Dodge, the value of construction projects for which permits were issued in Washington State in 1985 totaled $4.45 billion, up 19 percent from 1984. The value for nonresidential and residential buildings in 1985 was about $1.8 billion each, while the value of nonbuilding projects (streets, highways, bridges, sewers, etc.) totaled about $843 million.

Bids Out For Madigan Hospital

Bids are being solicited for the construction phase of the new $338 million Madigan Army Medical Center near Tacoma. The new hospital will be one of the largest federal construction projects ever in Pierce County. Construction is scheduled to being in July, with completion planned for November 1990.

Government Payrolls Drop Seasonally

Government employment also contracted seasonally in December with civilian payrolls falling 3,100 because of cutbacks in outdoor work (forests, street repair, right-of-way maintenance, etc.) and temporary reductions at colleges, which were between fall and winter terms.

Defense Cutbacks Could Cost Jobs In Washington State

Seasonal workers will eventually be recalled in government as well as in other industries in Washington State. A more significant development which may effect the state is the need to reduce the federal deficit. This is likely to result in reductions in defense as well as nondefense programs. Approximately $7 to $8 billion dollars of defense-related spending goes into Washington State's economy annually. Significant reductions in the defense budget would likely result in cutbacks at local military bases and in defense contracts awarded to The Boeing Company and other defense contractors in the state.

National Context

Economic Indicators Point to Further Growth

The National Index of Leading Economic Indicators jumped 0.9 percent in December to post its eighth consecutive monthly increase and its largest since January 1985. The upward trend in the index and its strong increase in December suggest the economy will continue to advance for at least several more months.

The index, which is based on 11 measures of economic activity, rose in December largely because of increases in building permits, stock prices and the average workweek. Other indicators pointing to further growth in the economy included orders for plant and equipment, the money supply, prices of sensitive materials and companies receiving slower deliveries from suppliers.

Trade Deficit Shows No Improvement Yet

Dampening the economic outlook somewhat was a further increase in the U.S. trade deficit. Imports exceeded exports in December alone by $17.4 billion, indicating U.S. manufacturers are still being outsold by foreign competitors. Although the dollar's value, in relation to foreign currencies, has dropped 20 percent since last February, many analysts believe it will be midyear before it will help narrow the trade deficit. A drop in value for the dollar, of course, lowers the cost of U.S. goods abroad and raises the cost of foreign goods in the U.S.

Consumers Optimistic

According to the University of Michigan's Institute for Social Research, consumer confidence remains high and is likely to remain a positive factor in the economy in 1986. With the national job market strong, inflation low, and declining interest rates, consumers are likely to continue spending briskly. And with their spending accounting for over two-thirds of economic activity, the current economic expansion should continue for some time yet. More pessimistic economists, however, are pointing to the fact that Americans now have record debt burdens which may cause them to slow their spending pace in coming months.

Housing Outlook Bright

The outlook in the home building industry improved in December. National housing starts increased from a seasonally adjusted annual rate of 1,566,000 units in November to 1,840,00 in December. Moreover, new building permits issued in December outnumbered starts for the second consecutive month which indicates further gains in housing starts are likely. The average effective mortgage rate at the end of December, 10.87 percent, was down nearly two points over the year. As a result, more families can now afford to buy new homes.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Dec. 1985	Nov. 1985	Dec. 1984	Dec. 1985	Nov. 1985
U.S. City Average	327.4	326.6	315.5	+3.8	+3.6
Seattle-Everett	N/A	324.0	N/A	N/A	+1.9

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Dec. 1985 (Prel.)	Nov. 1985 (Rev.)	Dec. 1984 (Rev.) 4/	Nov. 1984 (Rev.) 4/	Change Nov. 85 to Dec. 85	Change Dec. 84 to Dec. 85
TOTAL NONAG. WAGE AND SALARY	1,711.3	1,715.8	1,658.9	1,665.6	-4.5	+52.4
TOTAL MANUFACTURING	290.4	292.5	284.2	288.8	-2.1	+6.2
Durable Goods	203.4	203.8	198.4	201.1	-0.4	+5.0
Lumber & Wood Products	35.3	36.7	37.6	39.2	-1.4	-2.3
Furniture & Fixtures	3.4	3.4	3.4	3.3	0.0	0.0
Stone, Clay & Glass Products	6.1	6.3	6.3	6.7	-0.2	-0.2
Primary Metals Industries	11.7	11.7	12.8	12.9	0.0	-1.1
Aluminum Prod. & Processing	7.7	7.6	8.4	8.4	+0.1	-0.7
Fabricated Metal Products	10.4	10.7	9.5	10.0	-0.3	+0.9
Machinery	28.6	27.9	27.8	27.9	+0.7	+0.8
Machinery (exc. electrical)	16.7	16.1 3/	15.9	16.0	+0.6	+0.8
Electrical & Electronic Equip.	11.9	11.8	11.9	11.9	+0.1	0.0
Transportation Equipment	93.1	92.4	86.0	86.1	+0.7	+7.1
Aerospace	80.0	79.8	71.7	71.3	+0.2	+8.3
Other Transportation Equip.	13.1	12.6	14.3	14.8	+0.5	-1.2
Instruments & Related Prod.	10.2	10.2	10.4	10.3	0.0	-0.2
Misc. Manufacturing Indus.	4.6	4.5	4.6	4.7	+0.1	0.0
Nondurable Goods	87.0	88.7	85.8	87.7	-1.7	+1.2
Food & Kindred Products	28.3	30.0	28.5	30.4	-1.7	-0.2
Canned & Preserved Foods	9.4	11.2	9.0	10.7	-1.8	+0.4
Apparel & Other Text. Products	6.5	6.5	6.4	6.4	0.0	+0.1
Paper & Allied Products	15.9	15.8	16.1	16.0	+0.1	-0.2
Printing & Publishing	17.2	17.3	17.2	17.2	-0.1	0.0
Chemicals & Allied Products	11.7	11.6	10.7	10.7	+0.1	+1.0
Other Nondurable Goods 2/	7.4	7.5	6.9	7.0	-0.1	+0.5
MINING & QUARRYING	2.6	2.7	2.6	2.7	-0.1	0.0
CONSTRUCTION	80.7	83.6	75.5	78.2	-2.9	+5.2
TRANSP. & PUBLIC UTILITIES	92.1	92.6	90.7	90.9	-0.5	+1.4
WHOLESALE & RETAIL TRADE	430.0	427.3	416.5	412.2	+2.7	+13.5
Wholesale Trade	105.4	105.9	102.6	103.4	-0.5	+2.8
Retail Trade	324.6	321.4	313.9	308.8	+3.2	+10.7
FINANCE, INS. & REAL ESTATE	98.4	98.2	94.9	94.7	+0.2	+3.5
SERVICES	372.3	371.0	354.4	354.0	+1.3	+17.9
GOVERNMENT	344.8	347.9	340.1	344.1	-3.1	+4.7
Federal	69.2	69.7	69.4	69.5	-0.5	-0.2
State & Local	275.6	278.2	270.7	274.6	-2.6	+4.9
Education	148.1	149.8	148.1	150.6	-1.7	0.0
Workers in Labor Management Disputes	0.0	0.1	0.0	0.0	-0.1	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

4/ Revised in May 1985 due to corrections involving Education. The 1983 and 1984 annual tables have been revised and are available.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: January 30, 1986
Benchmark: 1984

(Not Seasonally Adjusted)

	December 1985 Preliminary 1/				November 1985 Revised 1/				December 1984 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,105,800	1,929,500	176,300	8.4	2,110,700	1,940,800	169,900	8.0	2,056,200	1,855,400	200,800	9.8
Bellingham MSA	51,600	46,900	4,700	9.1	52,800	48,100	4,700	8.9	48,900	43,100	5,800	11.9
Bremerton MSA	66,100	62,200	3,900	5.9	65,800	61,800	4,000	6.1	65,300	60,600	4,700	7.2
Olympia MSA	63,700	58,700	5,000	7.8	63,700	58,700	5,000	7.8	60,200	54,300	5,900	9.8
Seattle PMSA	958,700	897,700	61,000	6.4	956,200	896,400	59,800	6.3	930,600	860,100	70,500	7.6
Spokane MSA	162,200	148,400	13,800	8.5	162,900	149,900	13,000	8.0	160,100	145,800	14,300	8.9
Tacoma PMSA	204,900	188,700	16,200	7.9	205,300	189,000	16,300	7.9	196,100	176,200	19,900	10.1
Tri-Cities MSA 2/	70,200	62,900	7,300	10.4	70,700	63,800	6,900	9.8	69,200	60,200	9,000	13.0
Vancouver PMSA	94,600	86,200	8,400	8.9	95,200	86,900	8,300	8.7	92,300	83,400	8,900	9.6
Yakima MSA	80,000	66,800	13,200	16.5	80,500	68,700	11,800	14.7	81,400	68,900	12,500	15.4
Adams	6,840	5,850	990	14.5	6,850	5,960	890	13.0	6,000	5,170	830	13.8
Asotin	8,570	7,690	880	10.3	8,630	7,760	870	10.1	8,140	7,370	770	9.5
Clallam	19,250	16,680	2,570	13.4	18,970	16,740	2,230	11.8	19,670	16,860	2,810	14.3
Columbia	1,900	1,530	370	19.5	1,820	1,490	330	18.1	1,510	1,270	240	15.9
Cowlitz	32,400	28,010	4,390	13.5	32,280	28,180	4,100	12.7	32,800	28,560	4,240	12.9
Ferry	2,610	2,270	340	13.0	2,580	2,270	310	12.0	2,420	2,050	370	15.3
Garfield	1,140	990	150	13.2	1,120	1,000	120	10.7	940	860	80	8.5
Grant	22,160	19,390	2,770	12.5	22,080	19,570	2,510	11.4	20,550	17,420	3,130	15.2
Grays Harbor	27,570	24,220	3,350	12.2	27,800	24,530	3,270	11.8	29,280	24,490	4,790	16.4
Island	15,700	14,650	1,050	6.7	15,910	14,870	1,040	6.5	15,310	13,900	1,410	9.2
Jefferson	6,360	5,780	580	9.1	6,560	5,990	570	8.7	6,540	5,730	810	12.4
Kittitas	10,870	9,510	1,360	12.5	10,870	9,690	1,180	10.9	10,670	9,230	1,440	13.5
Klickitat	7,010	5,680	1,330	19.0	7,030	5,950	1,080	15.4	6,900	5,720	1,180	17.1
Lewis	24,410	21,160	3,250	13.3	24,250	21,050	3,200	13.2	23,670	19,580	4,090	17.3
Lincoln	4,080	3,750	330	8.1	4,080	3,770	310	7.6	3,670	3,420	250	6.8
Mason	11,650	10,590	1,060	9.1	11,920	10,950	970	8.1	10,940	9,640	1,300	11.9
Okanogan	13,570	11,150	2,420	17.8	13,880	11,800	2,080	15.0	13,700	10,870	2,830	20.7
Pacific	6,590	5,710	880	13.4	6,800	5,750	1,050	15.4	7,180	5,340	1,840	25.6
Pend Oreille	3,850	3,240	610	15.8	3,800	3,190	610	16.1	4,100	3,400	700	17.1
San Juan	3,600	3,250	350	9.7	3,790	3,460	330	8.7	3,710	3,380	330	8.9
Skagit	31,100	27,220	3,880	12.5	31,840	28,060	3,780	11.9	32,240	27,020	5,220	16.2
Skamania	2,580	2,010	570	22.1	2,640	2,160	480	18.2	2,640	1,980	660	25.0
Stevens	11,000	9,320	1,680	15.3	11,190	9,560	1,630	14.6	11,270	9,490	1,780	15.8
Wahkiakum	1,220	930	290	23.8	1,250	990	260	20.8	1,070	860	210	19.6
Walla Walla	25,550	22,940	2,610	10.2	25,900	23,590	2,310	8.9	24,290	21,670	2,620	10.8
Wenatchee Labor Area 3/	36,210	31,940	4,270	11.8	37,210	33,210	4,000	10.7	37,380	32,626	4,760	12.7
Whitman	16,130	15,550	580	3.6	16,580	16,000	580	3.5	15,560	14,970	590	3.8

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.

2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.

3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

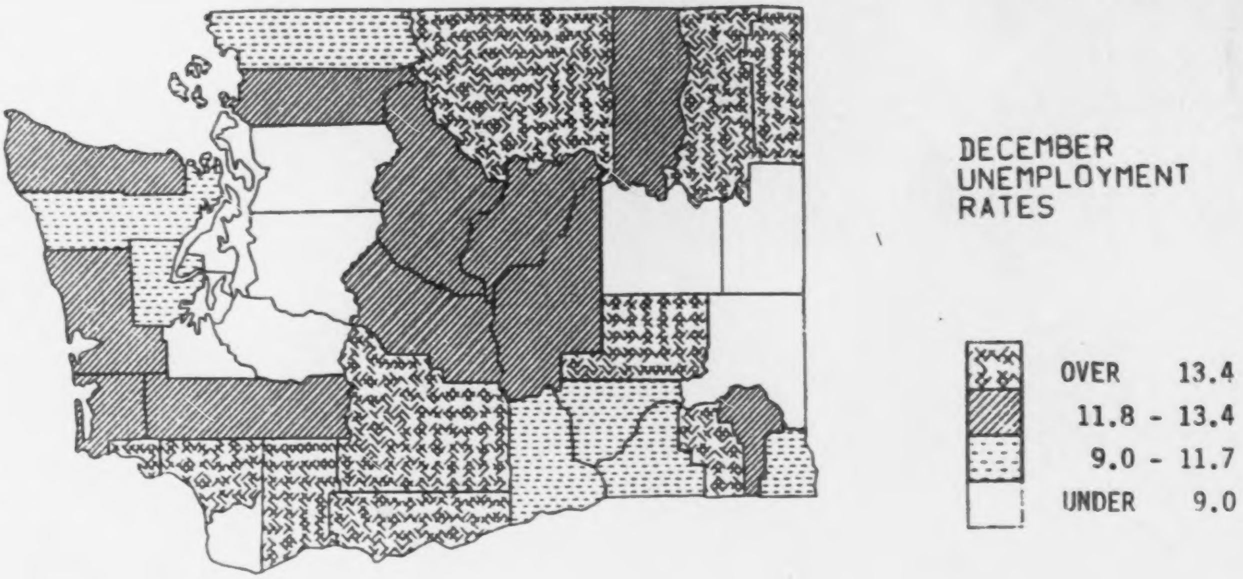
January 28, 1986
Benchmark 1984

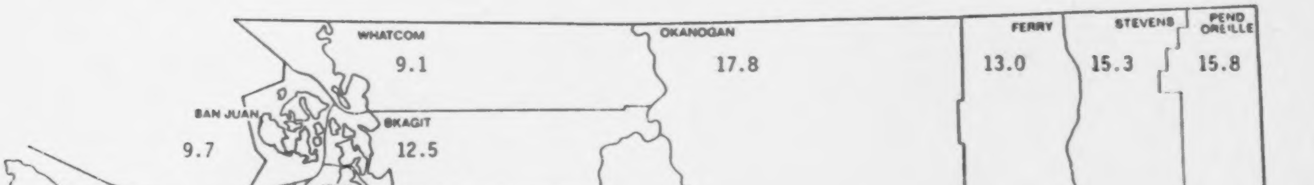
(Not Seasonally Adjusted)

	December 1985 Preliminary 1/				November 1985 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,103,700	1,936,200	167,500	8.0	2,097,300	1,933,800	163,500	7.8
Bellingham MSA	51,600	47,100	4,500	8.7	52,400	47,900	4,500	8.6
Bremerton MSA	66,200	62,500	3,700	5.6	65,400	61,600	3,800	5.8
Olympia MSA	63,700	58,900	4,800	7.5	63,400	58,500	4,900	7.7
Seattle PMSA	958,600	900,700	57,900	6.0	950,700	893,200	57,500	6.0
King County	752,100	708,600	43,500	5.8	746,500	702,600	43,900	5.9
Snohomish County	206,600	192,200	14,400	7.0	204,200	190,600	13,600	6.7
Spokane MSA	162,100	149,000	13,100	8.1	161,900	149,400	12,500	7.7
Tacoma PMSA	204,700	189,400	15,300	7.5	204,000	188,300	15,700	7.7
Tri-Cities MSA 2/	70,100	63,200	6,900	9.8	70,200	63,500	6,700	9.5
Vancouver PMSA	94,500	86,500	8,000	8.5	94,500	86,500	8,000	8.5
Yakima MSA	79,500	67,000	12,500	15.7	79,800	68,400	11,400	14.3
Adams	6,810	5,870	940	13.8	6,800	5,940	860	12.6
Asotin	8,540	7,710	830	9.7	8,570	7,730	840	9.8
Clallam	19,180	16,740	2,440	12.7	18,820	16,680	2,140	11.4
Columbia	1,890	1,540	350	18.5	1,800	1,490	310	17.2
Cowlitz	32,270	28,100	4,170	12.9	32,020	28,080	3,940	12.3
Ferry	2,600	2,280	320	12.3	2,560	2,260	300	11.7
Garfield	1,130	990	140	12.4	1,100	990	110	10.0
Grant	22,090	19,460	2,630	11.9	21,920	19,500	2,420	11.0
Grays Harbor	27,480	24,300	3,180	11.6	27,580	24,440	3,140	11.4
Island	15,700	14,700	1,000	6.4	15,810	14,810	1,000	6.3
Jefferson	6,350	5,800	550	8.7	6,520	5,970	550	8.4
Kittitas	10,830	9,540	1,290	11.9	10,800	9,660	1,140	10.6
Klickitat	6,960	5,700	1,260	18.1	6,970	5,930	1,040	14.9
Lewis	24,320	21,230	3,090	12.7	24,050	20,970	3,080	12.8
Lincoln	4,070	3,760	310	7.6	4,050	3,750	300	7.4
Mason	11,640	10,630	1,010	8.7	11,850	10,910	940	7.9
Okanogan	13,480	11,180	2,300	17.1	13,760	11,760	2,000	14.5
Pacific	6,570	5,730	840	12.8	6,740	5,730	1,010	15.0
Pend Oreille	3,820	3,250	570	14.9	3,770	3,180	590	15.6
San Juan	3,600	3,260	340	9.4	3,770	3,450	320	8.5
Skagit	31,010	27,320	3,690	11.9	31,580	27,950	3,630	11.5
Skamania	2,550	2,010	540	21.2	2,610	2,150	460	17.6
Stevens	10,940	9,350	1,590	14.5	11,100	9,530	1,570	14.1
Wahkiakum	1,200	930	270	22.5	1,240	990	250	20.2
Walla Walla	25,500	23,020	2,480	9.7	25,730	23,510	2,220	8.6
Wenatchee Labor Area 3/	36,110	32,050	4,060	11.2	36,940	33,090	3,850	10.4
Whitman	16,150	15,600	550	3.4	16,500	15,940	560	3.4

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.

Note: Detail may not add due to rounding.


DECEMBER
UNEMPLOYMENT
RATES
OVER 13.4
11.8 - 13.4
9.0 - 11.7
UNDER 9.0


WHATCOM
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SKAGIT
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CLALLAM
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CHELAN
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DOUGLAS
LINCOLN
8.1
SPOKANE
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JEFFERSON
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KITSAP
KING
MASON
9.1
GRAYS HARBOR
12.2
KITTITAS
GRANT
12.5
ADAMS
14.5
WHITMAN
3.6
PIERCE
7.9
THURSTON
7.8
YAKIMA
16.5
FRANKLIN
PACIFIC
13.4
LEWIS
13.3
BENTON
10.4
WALLA WALLA
10.2
COLUMBIA
19.5
GARFIELD
13.2
ASOTIN
10.3
23.8
WAHKIAKUM
COWLITZ
13.5
SKAMANIA
22.1
CLARK
8.9
KLICKITAT
19.0
STATE OF WASHINGTON 8.4

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	DEC. 1985 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		DEC 1985	NOV 1985	DEC 1984	DEC 1985	NOV 1985	DEC 1984	DEC 1985	NOV 1985	DEC 1984
TOTAL MANUFACTURING INDUSTRIES *	175,900	$474.70	$452.79	$459.43	40.1	38.7	39.1	$11.84	$11.70	$11.75
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	31,800	437.75	415.15	399.09	37.9	36.1	35.1	11.55	11.50	11.37
Primary metal industries......	9,100	543.92	527.40	546.48	43.1	41.3	39.4	12.62	12.77	13.87
Fabricated metal products.....	8,000	465.68	434.72	450.80	40.6	38.1	39.2	11.47	11.41	11.50
Machinery.....................	16,800	395.76	394.13	371.33	40.8	40.3	39.8	9.70	9.78	9.33
Food & kindred products.......	21,200	376.92	348.17	371.13	38.5	37.0	38.3	9.79	9.41	9.69
Chemicals & allied products...	5,200	587.25	582.58	560.58	40.5	42.4	42.5	14.50	13.74	13.19
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	60,600	596.74	569.73	574.11	36.7	35.9	34.9	16.26	15.87	16.45
Wholesale and retail trade.... (excludes eating & drinking places)	269,900	329.93	317.72	321.82	35.4	33.8	35.6	9.32	9.40	9.04

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

3/31/86 S8340-3

JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 2 February 1986

* * * * REVISED LABOR FORCE TABLES FOR 1970-1985 IN THIS ISSUE * * * *

HIGHLIGHTS

Seasonal Jobs At Annual Low

The completion of thousands of temporary holiday sales jobs and winter cutbacks in such industries as logging and construction reduced total employment in Washington State 43,200 between December and January. Aerospace added 800 workers in January to continue its advance, but job levels in most industries were at or near their annual lows with weather conditions discouraging outdoor work and tourist activity.

	Jan. 1985* (Prel.)	Dec. 1985 (Rev.)	Jan. 1985
Civilian Labor Force	2,079,400	2,115,400	2,046,000
Total Employment	1,896,000	1,939,200	1,832,400
Total Unemployment	183,400	176,200	213,600
State Unemployment Rate	8.8	8.3	10.4
National Civilian Unemployment Rate	7.2	6.6	7.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Rate Up Less Than Usual For January

Unemployment rose in January in response to the seasonal job losses, but the increase was below normal for this time of the year. The number of jobless workers in the state moved up from 176,200 and 8.3 percent of the labor force in December to 183,400 and 8.8 percent in January. Over the past ten years the increase in the state's unemployment rate between December and January has averaged a full point, or double the increase between December 1985 and January 1986.

Economy Remains Strong

The increase in unemployment was less than normal because of the underlying strength in the economy and unseasonally mild, but wet, weather in January which moderated seasonal reductions in outdoor work. The overall economy of the state remains exceptionally strong. Between January 1985 and 1986, total employment in the state increased 63,600 and unemployment declined 30,200. Compared with the 8.8 percent jobless rate this past January, the rate in January 1985 was 10.4 percent.

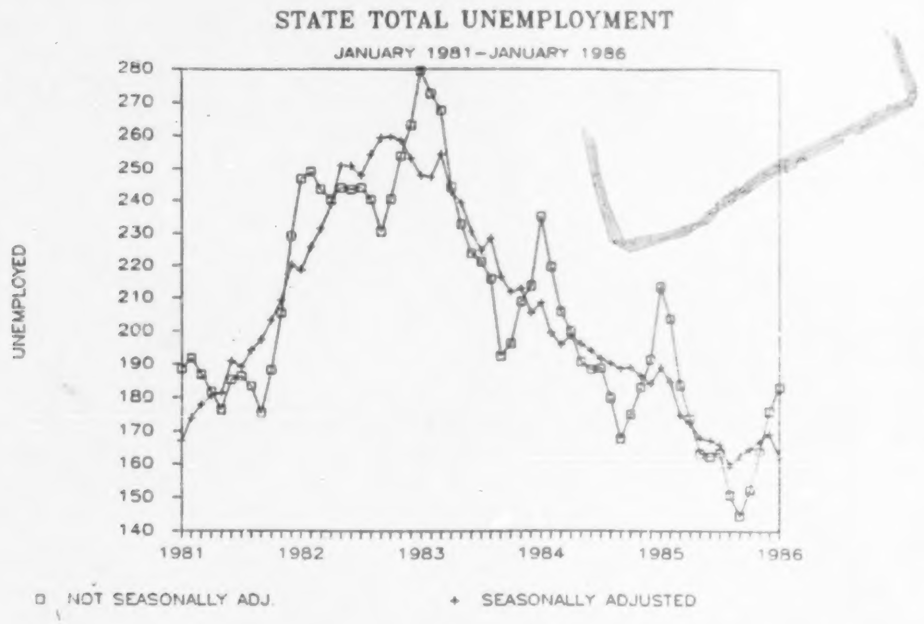
Unemployment Gain Moderate In Western Washington; Higher In Eastern Washington And Lumber Areas

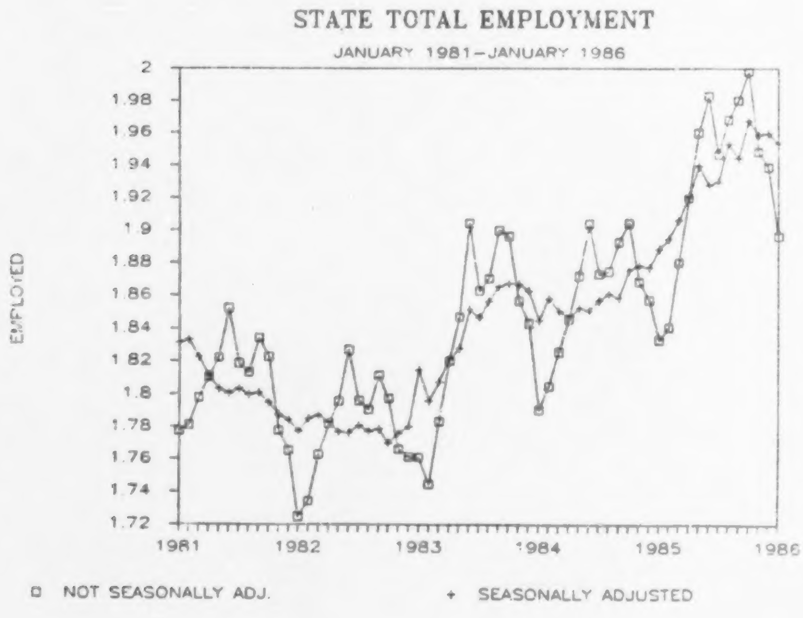
Unemployment rose in most areas around the state between December and January but the degree of increase varied considerably as did the January unemployment rate. Compared with the statewide jump of one-half of a point in the jobless rate, the rate in western Washington rose only three-tenths of a point, from 7.4 to 7.7 percent. East of the Cascades, however, the rate jumped from 11.4 to 12.7 percent over the month. In counties largely dependent on the lumber industry, the unemployment rate increased from 13.6 to 14.8 percent. Eastern Washington, of course, has more severe winter weather conditions than western Washington and its agricultural economy is more subject to seasonal variation. Lumber areas are also significantly affected by weather conditions. In addition, demand for lumber products has sizable swings because of the seasonal nature of the homebuilding industry, which provides the largest market for lumber products. Unemployment in counties mainly dependent on the lumber industry for jobs is also high because of the continuing depressed condition of the industry.

Seattle's Jobless Rate Remains Low

The economy in the Seattle Metropolitan Area remains exceptionally strong. The jobless rate for the area was 6.5 percent in January, well below the statewide rate (8.8 percent) and below the national rate (7.2 percent) as well (rates are not seasonally adjusted). Over the year, total employment in the Seattle area rose 40,600, or nearly five percent. Slightly over 39 percent of the state's population lives in the Seattle Metropolitan Area, but nearly 64 percent of the new jobs which developed in the state over the year occurred there. This is not surprising, however, since most of the state's year-to-year expansion in manufacturing was in aerospace (up 8,700) and nearly all of this industry is located in King and

Snohomish counties. The secondary impact resulting from the expansion in aerospace also mainly occurred in the Seattle area. One additional job is created in the state's economy for each new job in aerospace according to an Input-Output model of the state's economy developed at the University of Washington.





MANUFACTURING INDUSTRIES

Manufacturing employment in Washington State fell 2,000 from December to January largely due to seasonal cutbacks. Aerospace added 800 to post the only sizable gain over the month. On the downside, food and kindred products (canneries, dairy product plants, beverage plants, specialty food manufacturers) reduced employment by 1,000 to return to near its year-earlier level. Lumber employment fell 600 which was a relatively minor drop for this time of the year for this industry. A December-January reduction of around 1,700 jobs is normal in lumber. The cutback this time was probably smaller because of the low operating level of the industry, relatively mild January weather and a bottoming out of the decline in the industry. Elsewhere in manufacturing, stone-clay-glass products payrolls fell 300 from December and employment in fabricated metal products dipped 200 because of a seasonal decline in orders from the construction industry.

Aerospace Leads Year-to-Year Expansion

Between January 1985 and 1986 manufacturing employment expanded 8,300. Aerospace alone added 8,700 workers over the year to lead the advance. Other sizable gains were credited to nonelectrical machinery (up 1,600) and chemicals (up 900). The increase in machinery was mainly at one firm working on a special contract. The gain in chemicals occurred in the nuclear field in the Richland area.

Partially offsetting job gains over the year were losses of 700 in primary metals and 500 in electrical equipment. Metals employment fell over the year because of the closure of the ASARCO refinery near Tacoma last year and cutbacks in aluminum production and employment resulting from low market prices. The loss in electrical equipment reflected the nationwide retrenchment in the electronics industry.

Aerospace Still Growing

The 800 increase in aerospace employment in January was more than half of the 1,500 job expansion forecast by The Boeing Company for the first six months of this year. Recent news for the industry continues to be favorable. The E-6A submarine communications plane has won Navy approval for funding. The planes will be built on a Boeing 707 frame at Renton and outfitted with sophisticated high-tech communications equipment. Funding must be approved by Congress but the program has considerable support from the Navy and the Joint Chiefs of Staff.

Washington State A Leader In "Star Wars" Contracts

In other military work, Defense Department data show Washington State ranked second only to California in "Star Wars" contracts. "Star Wars" is the program to build a high-tech defensive shield against enemy nuclear missiles using laser beams, rocket interceptors and high speed projectiles. Boeing's major project in the the program is building a special Boeing 767 equipped with sensors which will track dummy missiles launched in a mock enemy attack. Approximately 600 Boeing workers are working on various "Star Wars" contracts in the state.

Adding to the commercial backlog, U.S. Air placed orders in February for eight 737-300 jetlines with a value of $200 million. The planes will be delivered in 1988. U.S. Air also obtained options for ten more planes for deliveries beginning in late 1988.

Outlook For Lumber Industry Somewhat Brighter

Lumber and wood products employment fell 31 percent from 1978 through 1985 in Washington State. Numerically employment in the industry fell from 55,100 to 37,900, a loss of 17,200. The losses basically resulted from growing competition from Canadian and Southern producers, increased automation, and a decline in the homebuilding industry. Automation and competition from Canada and the South will continue to limit employment in Washington's lumber industry in 1986, but a pickup in homebuilding will likely permit some expansion in production and employment in the remainder of the year.

According to the Federal Home Loan Bank, mortgage rates fell to their lowest level since 1979 in January. Responding to lower interest rates, sales of new homes in the nation rose to their highest level in two years. New housing starts in January rose 15.7 percent from December, totaling 2,088,000 units on a seasonally adjusted annual rate basis. For all of 1985, new housing starts in the nation totaled 1,736,400 units.

Lumber Production Up

According to the Western Wood Products Association production has already begun to expand from 1985 levels. Through the week ended February 22, 1986, the Association reported lumber production in Western Oregon and Washington totaled 1,202 million board feet, up 11 percent from the like period in 1985.

Long-Term Outlook Improves

Although no one expects employment in the Washington lumber industry to return to 1978 levels, there is hope for some long-term improvement. According to a U.S. Forest Service economist, the failure of many Canadian and Southern producers to replant forest land following harvest may soon result in improved demand for timber from the Pacific Northest. Both Canadian and Southern lumber growers were reported to be cutting trees at a rate that cannot be sustained. In the South, only one tract in seven is being replanted after harvest. Most timber in the South is privately owned and held in small tracts. In Washington and Oregon, by contrast, nearly all timber that is cut is replanted because most forest land in these states is owned by the government or large companies.

Aluminum Plants May Close Says BPA

Although the aluminum industry appears to have been helped recently by the declining value of the dollar, a report released by the Bonneville Power Administration (BPA) predicts three of the Northwest's aluminium smelters could close this year and another two are likely to close unless the industry gets lower electric power rates. Without rate relief, BPA expects the Kaiser plant in Mead, Washington and a plant in Montana to close. In addition, the Martin Marietta smelter in The Dalles, Oregon would not reopen given current electrical rates. The BPA report also said that the Alcoa plant in Vancouver and the Reynolds Metals Company smelter in Troutdale, Oregon are likely to close unless lower-cost electricity becomes available.

BPA is now considering new rate alternatives to assist the industry. The option most favored by industry is a variable pricing plan that ties the cost of electricity to the price of aluminum.

Troubles Continue In Shipbuilding

Marine Power and Equipment Company and related firms filed for bankruptcy in February becoming the state's second major shipyard in bankruptcy. Reorganization plans for Tacoma Boatbuilding Company were upset in February when the Navy rejected the firm's request for additional funds to complete four submarine tracker ships. Following the Navy's decision, Tacoma Boat laid off 280 craftsmen and 60 administrative employees who were working on the project. Press reports say the Company grossly underestimated the cost of building the ships.

NONMANUFACTURING INDUSTRIES

Usual Layoffs Follow Holidays

In the nonmanufacturing industries, employment in retail trade fell 13,000 between December and January, but the drop was expected following the end of the holiday sales period. The largest reductions were at department, apparel, and other stores selling holiday gifts. Building material stores cut back seasonally, and lower employment was also reported by gasoline service stations and restaurants because of less tourist business.

24-Hour Stores Result in More Jobs

Despite the losses in January, retail trade payrolls were up 12,900 over the year. Nearly all segments of the industry shared in the gain, but food stores accounted for approximately 40 percent of the increase. The growing trend of keeping stores open more hours per day was a factor in the job expansion.

Construction Down Seasonally But Up Over The Year

Construction employment dropped 4,900 in January as weather conditions postponed some projects; while new projects, as usual, were being held up until spring. Over the year, however, construction in employment rose 4,200. Further growth is likely as expanding employment, low inflation, and stable or falling mortgage rates encourage home building. The state's expanding economy and low interest rates should support growth in commercial building as well.

Fewer Service Jobs In January

Employment in the service group (hotels, business and medical services, amusement places, etc.) fell 2,700 in January but remained sharply up over the year. Approximately 900 of the loss from December was at firms which provide temporary workers to other businesses. Some of these temporary workers in December were employed in holiday-related work and they were no longer needed in January. Seasonal losses were noted at hotels-motels and in agricultural services (lawn and garden, crop preparation). Membership organizations also cut back with holiday activities at an end. Higher employment, however, was reported in amusements because of more activity at ski resorts.

Government Payrolls Lower

Civilian government payrolls fell 1,600 in January as reductions in outdoor work (forests, street repair, right-of-way maintenance, etc.) outweighed the hiring of temporary staff workers for the beginning of a new legislative session in Olympia. Over the year, government employment was up 6,300, or by 1.9 percent. Compared with the increase in total wage and salary employment of 3.6 percent, growth in government was restrained, reflecting limited tax revenue.

Everett Navy Base Still On

The Navy is sticking to its timetable and expects to dock the aircraft carrier U.S.S. Nimitz in Everett in December 1988. According to a Navy Spokesman, Gramm-Rudman deficit cutting does not yet threaten to stop the building of the proposed Everett Navy base. Defense budget cuts, however, could force the Navy to stretch the construction of the base out over more years.

NATIONAL CONTEXT

Economists Optimistic

A survey of 300 members of the National Association of Business Economists found that 88 percent of them believe that the current recovery will last into 1987 or beyond. A survey one year ago found that one-half believed that a recession would begin this year. The major reason for the current optimism is the sharp drop in oil prices, which the economists believe will boost economic growth while keeping inflation low.

Currently only 12 percent of the economists polled believe a recession is likely this year. Another 37 percent believe the recovery which began in late 1982 will last into 1988 or later. In December, a survey found only 15 percent expected the recovery to last until 1988.

Leading Indicators Drop

The Index of Leading Economic Indicators fell 0.6 percent in January. The drop followed a rise of 1.5 percent in December and was the first decline since April 1985. Many economists played down the significance of the January decline because the effect of the recent sharp decline in oil prices was not directly reflected in the index. Many analysts are now boosting their forecasts because they believe lower oil bills will allow business and consumers to spend more money on other items, thereby pushing up economic activity. In addition, some economists believe the decline in the index this January was just a correction following the strong upturn in the index in December.

The major reason for the drop in January was a reduction in the value of contracts and orders for plant and equipment. That drop, however, followed a large gain in orders for jet airliners in December. Other leading indicators contributing to the decline in the index in January included reductions in consumer and business borrowing, net business formations, the money supply and the average workweek. Indicators pointing to further economic growth included an increase in manufacturers' orders, a drop in unemployment insurance claims, and increases in building permits, stock prices and sensitive material prices.

Industrial Production Up In January

U.S. industrial production rose 0.3 percent in January, the third consecutive month the index has improved. January's gain, however, was below the 0.7 percent increase in December and 0.8 percent gain in November. The index, at 126.7 percent (1977=100), remained below its September 1985 high of 129.2 percent. The U.S. trade deficit last year substantially reduced factory production.

Budget Deficit On Decline

The federal government's budget deficit is apparently beginning to decline even without the benefit of the Gramm-Rudman law. Many analysts believe the deficit will fall $20 billion a year without further action by Congress and even more as Congress attempts to meet the deficit ceilings established by Gramm-Rudman. According to analysts, the decline is mainly the result of an expanding economy, lower interest rates, and cuts in future military spending made by Congress last year. The lower deficits should help reduce interest rates, lower the value to the dollar relative to foreign currencies and, thus, reduce the trade deficit.

OUTLOOK

Economic Outlook Bright

The outlook for the state and national economy for 1986 is as bullish as the stock market, which moved to record high levels in late February and early March. But that is not surprising since stock prices are one of the most reliable indicators of future business activity. Major factors which will fuel the economic expansion in 1986 and perhaps beyond are declining interest rates, lower oil prices, and a drop in the value of the dollar relative to foreign currencies.

Mortgage Rates Lowest Since 1979

Lower interest rates will help boost new home sales and other major puchases as well as encourage business expansion and investment. The rate on 30-year conventional home mortgages in January fell to 10.77 percent, the lowest since 1979 and sharply down from the 12.93 rate one year before. Besides encouraging new home sales, the drop will allow home owners to refinance old mortgages at lower rates which will increase purchasing power since refinancing will lower their monthly mortgage payments.

Gasoline Below $1 A Gallon

The sharp decline in crude oil prices is already showing up in the cost of refined products. Retail gasoline prices have dropped below $1 a gallon in many areas and will undoubtedly go lower. The tourist industry will be a major beneficiary of lower gasoline prices. But with a smaller percentage of their incomes going for transportation costs, consumers will have more money to spend on other goods and services as well. The result will be an overall boost in the economy and in employment. The prices of other petroleum products such as heating oil, oil burned for the generation of electricity, and diesel and aviation fuel are declining too and will give the economy a further lift.

According to Stanford's Center for Economic Policy Research, the recent drop in oil prices, from $29 to $13.50 a barrel, will reduce inflation two percentage points, reduce unemployment one percentage point, and reduce the federal deficit $25 billion and the trade deficit by $15 billion. In addition, the lower oil prices are expected to boost the Gross National Product by three percent (adjusted for inflation) over the next two years.

The falling value of the dollar is not expected to significantly reduce imports and increase exports until later this year, but there has already been some signs of a turnaround. Lower imports and higher exports, of course, would boost manufacturing employment in the United States. Since reaching its peak in February 1985, the dollar's value in relation to the currencies of ten major industrial countries has declined 20 percent. However, the value of the dollar is still well above 1980 levels. Nonetheless, recent price increases on imports are an omen of the turnaround which will result as imports become more costly and the price of American goods in foreign markets falls. An improvement has already occurred in some industries. A spokesman for the Aluminum Company of America said that U.S. aluminum imports were down four percent and exports were up 23 percent last year. The Pacific Northwest pulp and paper industry reported an expansion in demand because of the rising cost of foreign pulp and paper. Eventually the benefits of the decline in the dollar's value will spread to other industries as well.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Jan. 1986	Dec. 1985	Jan. 1985	Jan. 1986	Dec. 1985
U.S. City Average	328.4	327.4	316.1	+3.9	+3.8
Seattle-Everett	327.0	N/A	319.5	+2.3	N/A

ESTIMATES REVISED

Resident civilian labor force, employment, and unemployment estimates for 1985 have been adjusted to 1985 average annual data from that portion of the national Current Population Survey conducted in this state. Estimates for 1979-1984 have also been revised. Tables containing the revised data and estimates for prior years are included in this report.

Nonagricultural wage and salary employment estimates for 1983, 1984 and 1985 have also been revised. Current nonfarm wage and salary employment estimates prepared by the Employment Security Department are based upon monthly reports received from approximately 5,600 cooperating establishments. While estimates prepared from these reports are timely, they lack the accuracy of our revised estimates. The revised estimates are based upon more complete data contained in tax returns received at later dates from establishments covered by the Washington State Employment Security Act and from reports on federal civilian employment. Reports on covered and federal civilian employment provide almost complete counts of nonagricultural wage and salary employment. The major exceptions to covered employment are railroad employment, employment in religious organizations, and at private, primary and secondary educational institutions. Most corporate officers are also excluded. Noncovered employment is estimated from a variety of sources -- special surveys, relationships between covered and noncovered employment in the Current Population Survey, reports from individual employers, etc.

Each year estimates are updated to conform with the latest tax return data and the best available information on noncovered wage and salary employment. The 1983 and 1984 estimates are based on tax return data for the entire year, while those for 1985 are based on tax data through March 1985. Tables containing the revised 1983, 1984 and 1985 nonagricultural wage and salary estimates are included in this report.

Wage Analysis Unit Moves to New Location

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch is moving from its present Seattle location to Lacey, Washington on April 14, 1986. After that date wage information requests should be sent to the following address:

Employment Security Department
Labor Market and Economic Analysis
Wage Analysis Unit
M/S KG-11
Olympia, Washington 98504-5311

The new telephone number will be:

(206) 438-4809

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED	Jan. 1986 (Prel.)	Dec. 1985 (Rev.)	Jan. 1985 (Rev)	Dec. 1984 (Rev)	Numerical Change Dec. 85 to Jan. 86	Numerical Change Jan. 85 to Jan. 86
TOTAL NONAG. WAGE AND SALARY..	1,707.1	1,735.8	1,648.1	1,678.5	-28.7	+59.0
TOTAL MANUFACTURING..........	292.8	294.8	284.5	286.9	-2.0	+8.3
Durable Goods...............	206.0	206.6	198.3	199.7	-0.6	+7.7
Lumber & Wood Products.....	35.8	36.4	36.1 3/	37.9	-0.6	-0.3
Furniture & Fixtures.......	3.7	3.8	3.6	3.6	-0.1	+0.1
Stone Clay & Glass Prod....	6.0	6.3	5.9	6.3	-0.3	+0.1
Primary Metal Industries...	12.5	12.5	13.2	13.2	0.0	-0.7
Aluminum Prod. & Proc.....	8.4	8.4	8.8	8.9	0.0	-0.4
Fabricated Metal Prod......	9.4	9.6	9.3	9.7	-0.2	+0.1
Machinery..................	30.2	30.3	29.1	28.4	-0.1	+1.1
Machinery exc. Elec.......	18.0	18.0	16.4	15.6	0.0	+1.6
Electrical & Electronic...	12.2	12.3	12.7	12.8	-0.1	-0.5
Transportation Equipment...	93.6	92.8	85.9	85.4	+0.8	+7.7
Aerospace.................	80.7	79.9	72.0	71.4	+0.8	+8.7
Other Transp. Equip.......	12.9	12.9	13.9	14.0	0.0	-1.0
Instruments & Rel. Prod....	10.5	10.6	10.6	10.5	-0.1	-0.1
Misc. Manufacturing Ind....	4.3	4.3	4.6	4.7	0.0	-0.3
Nondurable Goods............	86.8	88.2	86.2	87.2	-1.4	+0.6
Food & Kindred Products	27.9	28.9	28.0	28.8	-1.0	-0.1
Canned & Preserved Foods..	9.1	9.5	8.9	9.4	-0.4	+0.2
Apparel & Other Tex. Prod..	6.2	6.3	6.4	6.8	-0.1	-0.2
Paper & Allied Products....	16.2	16.2	16.4	16.2	0.0	-0.2
Printing & Publishing......	17.4	17.7	17.3	17.3	-0.3	+0.1
Chemical & Allied Prod.....	11.6	11.7	10.7	10.7	-0.1	+0.9
Other Nondurable Goods 2/..	7.5	7.4	7.4	7.4	+0.1	+0.1
MINING & QUARRYING...........	2.8	2.8	2.4	2.6	0.0	+0.4
CONSTRUCTION.................	73.6	78.5	69.4	75.6	-4.9	+4.2
TRANS. & PUBLIC UTILITIES.....	92.8	95.2	89.3	92.1	-2.4	+3.5
WHOLESALE & RETAIL TRADE......	421.9	437.0	407.7	423.9	-15.1	+14.2
Wholesale Trade.............	103.8	105.9	102.5	105.1	-2.1	+1.3
Retail Trade................	318.1	331.1	305.2	318.8	-13.0	+12.9
FIN. INS. & REAL ESTATE.......	100.8	100.8	96.5	96.5	0.0	+4.3
SERVICES.....................	376.1	378.8	358.3	359.9	-2.7	+17.8
GOVERNMENT...................	346.3	347.9	340.0	341.0	-1.6	+6.3
Federal......................	68.8	69.2	68.4	69.3	-0.4	+0.4
State & Local................	277.5	278.7	271.6	271.7	-1.2	+5.9
Education..................	150.9	150.7	149.1	148.5	+0.2	+1.8
(WORKERS IN LABOR-MANAGEMENT DISPUTES)....................	0.0	0.0	0.1	0.0	0.0	-0.1

1/ Excludes proprieters, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: February 28, 1986
Benchmark: 1985

(Not Seasonally Adjusted)

	January 1986 Preliminary 1/				December 1985 Revised				January 1985 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,079,400	1,896,000	183,400	8.8	2,115,400	1,939,200	176,200	8.3	2,046,000	1,832,400	213,600	10.4
Bellingham MSA	53,100	47,800	5,300	10.0	52,900	48,100	4,800	9.1	52,200	45,800	6,400	12.3
Bremerton MSA	69,100	65,000	4,100	5.9	70,300	66,300	4,000	5.7	67,500	62,700	4,800	7.1
Olympia MSA	66,700	61,600	5,100	7.6	67,600	62,400	5,200	7.7	65,600	59,500	6,100	9.3
Seattle PMSA	919,400	859,900	59,500	6.5	935,200	875,700	59,500	6.4	892,500	819,300	73,200	8.2
King County 4/	717,100	672,800	44,300	6.2	729,800	685,200	44,600	6.1	695,400	641,100	54,300	7.8
Snohomish County 4/	202,200	187,100	15,100	7.5	205,400	190,500	14,900	7.3	197,100	178,200	18,900	9.6
Spokane MSA	158,000	143,500	14,500	9.2	161,100	147,200	13,900	8.6	157,600	141,700	15,900	10.1
Tacoma PMSA	222,200	205,200	17,000	7.7	226,900	209,900	17,000	7.5	216,500	196,400	20,100	9.3
Tri-Cities MSA 2/	65,500	58,300	7,200	11.0	66,200	59,000	7,200	10.9	65,100	55,700	9,400	14.4
Benton County 4/	49,200	44,000	5,200	10.6	49,800	44,600	5,200	10.4	48,500	42,000	6,500	13.4
Franklin County 4/	16,300	14,300	2,000	12.3	16,500	14,500	2,000	12.1	16,500	13,600	2,900	17.6
Vancouver PMSA	98,200	89,000	9,200	9.4	101,100	92,400	8,700	8.6	97,700	88,500	9,200	9.4
Yakima MSA	78,700	63,900	14,800	18.8	79,900	67,200	12,700	15.9	78,600	65,300	13,300	16.9
Adams	6,320	5,290	1,030	16.3	6,310	5,370	940	14.9	6,320	5,220	1,100	17.4
Asotin	8,220	7,400	820	10.0	8,230	7,360	870	10.6	7,700	6,740	960	12.5
Clallam	20,620	18,030	2,590	12.6	21,120	18,480	2,640	12.5	21,420	17,860	3,560	16.6
Columbia	1,750	1,270	480	27.4	1,660	1,270	390	23.5	1,740	1,300	440	25.3
Cowlitz	33,960	29,290	4,670	13.8	34,170	29,650	4,520	13.2	34,360	29,930	4,430	12.9
Ferry	2,470	2,070	400	16.2	2,510	2,160	350	13.9	2,500	2,060	440	17.6
Garfield	1,080	940	140	13.0	1,090	950	140	12.8	1,090	960	130	11.9
Grant	22,360	19,330	3,030	13.6	22,350	19,600	2,750	12.3	22,180	18,710	3,470	15.6
Grays Harbor	23,590	20,160	3,430	14.5	24,100	20,810	3,290	13.7	24,990	19,900	5,090	20.4
Island	15,460	14,310	1,150	7.4	15,900	14,840	1,060	6.7	15,980	14,450	1,530	9.6
Jefferson	6,420	5,780	640	10.0	6,760	6,160	600	8.9	6,520	5,640	880	13.5
Kittitas	11,320	9,790	1,530	13.5	11,420	10,050	1,370	12.0	11,360	9,640	1,720	15.1
Klickitat	8,630	6,820	1,810	21.0	8,410	6,960	1,450	17.2	7,760	6,170	1,590	20.5
Lewis	23,680	20,620	3,060	12.9	24,380	21,120	3,260	13.4	23,540	19,310	4,230	18.0
Lincoln	4,090	3,760	330	8.1	4,100	3,780	320	7.8	4,100	3,780	320	7.8
Mason	11,980	10,680	1,300	10.9	12,650	11,560	1,090	8.6	12,050	10,430	1,620	13.4
Okanogan	12,880	10,390	2,490	19.3	13,100	10,760	2,340	17.9	13,820	10,700	3,120	22.6
Pacific	6,930	5,960	970	14.0	7,110	6,200	910	12.8	7,110	5,460	1,650	23.2
Pend Oreille	3,560	2,910	650	18.3	3,660	3,060	600	16.4	3,950	3,310	640	16.2
San Juan	4,250	3,820	430	10.1	4,510	4,140	370	8.2	3,870	3,430	440	11.4
Skagit	28,170	23,820	4,350	15.4	28,970	25,050	3,920	13.5	30,120	24,350	5,770	19.2
Skamania	2,490	1,700	790	31.7	2,390	1,820	570	23.8	2,470	1,600	870	35.2
Stevens	11,000	9,140	1,860	16.9	11,010	9,380	1,630	14.8	11,370	9,410	1,960	17.2
Wahkiakum	1,180	940	240	20.3	1,250	970	280	22.4	1,430	1,150	280	19.6
Walla Walla	23,650	20,500	3,150	13.3	23,600	20,930	2,670	11.3	23,020	19,960	3,060	13.3
Wenatchee Labor Area 3/	35,590	30,730	4,860	13.7	36,030	31,840	4,190	11.6	34,580	29,420	5,160	14.9
Chelan County 4/	24,880	20,670	4,210	16.9	24,970	21,420	3,550	14.2	23,690	19,790	3,900	16.5
Douglas County 4/	10,710	10,060	650	6.1	11,060	10,420	640	5.8	10,890	9,630	1,260	11.6
Whitman	17,030	16,360	670	3.9	17,280	16,620	660	3.8	17,280	16,520	760	4.4

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.
2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.
4/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

February 28, 1986
Benchmark 1985

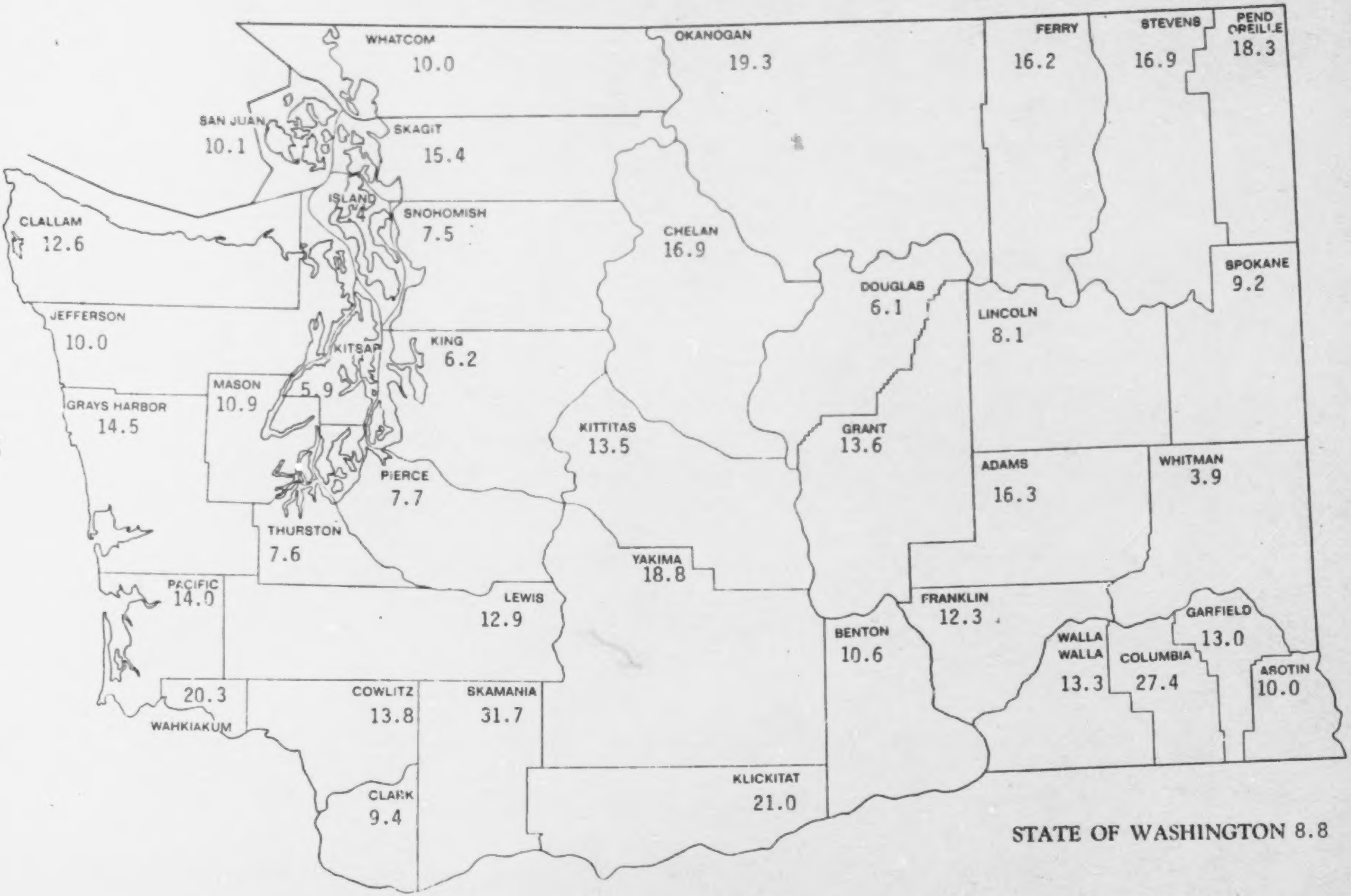
(Not Seasonally Adjusted)

	January 1986 Preliminary 1/				December 1985 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,083,700	1,901,500	182,200	8.7	2,115,400	1,939,200	176,200	8.3
Bellingham MSA	53,200	48,000	5,200	9.8	52,900	48,100	4,800	9.1
Bremerton MSA	69,200	65,200	4,000	5.8	70,300	66,300	4,000	5.7
Olympia MSA	66,800	61,800	5,000	7.5	67,600	62,400	5,200	7.7
Seattle PMSA	921,500	862,400	59,100	6.4	935,200	875,700	59,500	6.4
King County 4/	718,800	674,800	44,000	6.1	729,800	685,200	44,600	6.1
Snohomish County 4/	202,600	187,600	15,000	7.4	205,400	190,500	14,900	7.3
Spokane MSA	158,300	143,900	14,400	9.1	161,100	147,200	13,900	8.6
Tacoma PMSA	222,700	205,800	16,900	7.6	226,900	209,900	17,000	7.5
Tri-Cities MSA 2/	65,600	58,400	7,200	11.0	66,200	59,000	7,200	10.9
Benton Conty 4/	49,300	44,100	5,200	10.5	49,800	44,600	5,200	10.4
Franklin County 4/	16,300	14,300	2,000	12.3	16,500	14,500	2,000	12.1
Vancouver PMSA	98,300	89,200	9,100	9.3	101,100	92,400	8,700	8.6
Yakima MSA	78,800	64,100	14,700	18.7	79,900	67,200	12,700	15.9
Adams	6,320	5,300	1,020	16.1	6,310	5,370	940	14.9
Asotin	8,230	7,420	810	9.8	8,230	7,360	870	10.6
Clallam	20,660	18,080	2,580	12.5	21,120	18,480	2,640	12.5
Columbia	1,750	1,280	470	26.9	1,660	1,270	390	23.5
Cowlitz	34,010	29,370	4,640	13.6	34,170	29,650	4,520	13.2
Ferry	2,480	2,080	400	16.1	2,510	2,160	350	13.9
Garfield	1,080	940	140	13.0	1,090	950	140	12.8
Grant	22,400	19,390	3,010	13.4	22,350	19,600	2,750	12.3
Grays Harbor	23,620	20,220	3,400	14.4	24,100	20,810	3,290	13.7
Island	15,490	14,350	1,140	7.4	15,900	14,840	1,060	6.7
Jefferson	6,420	5,790	630	9.8	6,760	6,160	600	8.9
Kittitas	11,340	9,820	1,520	13.4	11,420	10,050	1,370	12.0
Klickitat	8,640	6,840	1,800	20.8	8,410	6,960	1,450	17.2
Lewis	23,720	20,680	3,040	12.8	24,380	21,120	3,260	13.4
Lincoln	4,100	3,770	330	8.0	4,100	3,780	320	7.8
Mason	12,000	10,710	1,290	10.8	12,650	11,560	1,090	8.6
Okanogan	12,900	10,420	2,480	19.2	13,100	10,760	2,340	17.9
Pacific	6,940	5,980	960	13.8	7,110	6,200	910	12.8
Pend Oreille	3,570	2,920	650	18.2	3,660	3,060	600	16.4
San Juan	4,260	3,830	430	10.1	4,510	4,140	370	8.2
Skagit	28,200	23,880	4,320	15.3	28,970	25,050	3,920	13.5
Skamania	2,480	1,700	780	31.5	2,390	1,820	570	23.8
Stevens	11,020	9,170	1,850	16.8	11,010	9,380	1,630	14.8
Wahkiakum	1,180	940	240	20.3	1,250	970	280	22.4
Walla Walla	23,690	20,560	3,130	13.2	23,600	20,930	2,670	11.3
Wenatchee Labor Area 3/	35,650	30,820	4,830	13.5	36,030	31,840	4,190	11.6
Chelan County 4/	24,910	20,730	4,180	16.8	24,970	21,420	3,550	14.2
Douglas County 4/	10,730	10,090	640	6.0	11,060	10,420	640	5.8
Whitman	17,080	16,410	670	3.9	17,280	16,620	660	3.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.
4/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.

JANUARY UNEMPLOYMENT RATES


WHATCOM
10.0
OKANOGAN
19.3
FERRY
16.2
STEVENS
16.9
PEND OREILLE
18.3
SAN JUAN
10.1
SKAGIT
15.4
ISLAND
7.4
CLALLAM
12.6
SNOHOMISH
7.5
CHELAN
16.9
SPOKANE
9.2
DOUGLAS
6.1
LINCOLN
8.1
JEFFERSON
10.0
KITSAP
5.9
KING
6.2
MASON
10.9
GRAYS HARBOR
14.5
KITTITAS
13.5
GRANT
13.6
ADAMS
16.3
WHITMAN
3.9
PIERCE
7.7
THURSTON
7.6
YAKIMA
18.8
PACIFIC
14.0
LEWIS
12.9
FRANKLIN
12.3
GARFIELD
13.0
BENTON
10.6
WALLA WALLA
13.3
COLUMBIA
27.4
ASOTIN
10.0
20.3
WAHKIAKUM
COWLITZ
13.8
SKAMANIA
31.7
KLICKITAT
21.0
CLARK
9.4
STATE OF WASHINGTON 8.8

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	JAN. 1986 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		JAN 1986	DEC 1985	JAN 1985	JAN 1986	DEC 1985	JAN 1985	JAN 1986	DEC 1985	JAN 1985
TOTAL MANUFACTURING INDUSTRIES *	176,500	$458.60	$473.21	$445.39	38.7	39.9	38.1	$11.85	$11.86	$11.69
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	31,700	436.36	445.79	404.54	37.2	38.2	35.3	11.73	11.67	11.46
Primary metal industries......	9,700	530.95	548.27	531.22	41.0	42.7	38.3	12.95	12.84	13.87
Fabricated metal products.....	7,000	428.27	457.73	450.74	37.9	40.4	39.4	11.30	11.33	11.44
Machinery.....................	17,700	367.10	392.20	351.30	38.4	40.4	37.5	9.56	9.71	9.37
Food & kindred products.......	20,900	353.70	372.24	362.63	36.1	38.1	37.5	9.80	9.77	9.67
Chemicals & allied products...	5,200	590.94	590.73	559.15	42.0	40.6	42.2	14.07	14.55	13.25
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	54,500	560.76	597.63	577.86	35.9	36.8	35.3	15.62	16.24	16.37
Wholesale and retail trade.... (excludes eating & drinking places)	266,400	307.66	327.48	307.10	32.8	35.1	33.6	9.38	9.33	9.14

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

Resident Civilian Labor Force and Employment in Washington State, 1970-1985 1/
(In Thousands)

	Annual Average 2/	January	February	March	April	May	June	July	August	September	October	November	December
1985													
Civilian Labor Force	2,105.0	2,046.0	2,044.3	2,063.7	2,093.5	2,123.3	2,145.2	2,110.0	2,118.8	2,125.1	2,150.6	2,112.2	2,115.4
Total employment*	1,933.0	1,832.4	1,840.4	1,879.9	1,919.9	1,960.0	1,982.9	1,946.6	1,968.0	1,980.5	1,998.1	1,948.2	1,939.2
Total unemployment*	171.0	213.6	203.9	183.8	173.6	163.3	162.3	163.4	150.8	144.6	152.5	164.0	176.2
Percent of Labor Force	8.1	10.4	10.0	8.9	8.3	7.7	7.6	7.7	7.1	6.8	7.1	7.8	8.3
1984													
Civilian Labor Force	2,054.0	2,025.8	2,024.7	2,031.4	2,045.4	2,062.2	2,092.0	2,061.4	2,054.2	2,060.2	2,079.0	2,051.1	2,048.5
Total employment*	1,859.0	1,790.2	1,804.6	1,825.3	1,845.4	1,871.3	1,903.4	1,872.4	1,874.2	1,892.4	1,903.9	1,867.9	1,856.9
Total unemployment*	194.0	235.6	220.1	206.1	200.0	190.9	188.6	189.0	180.0	167.8	175.1	183.2	191.6
Percent of Labor Force	9.5	11.6	10.9	10.1	9.8	9.3	9.0	9.2	8.8	8.1	8.4	8.9	9.4
1983													
Civilian Labor Force	2,068.0	2,010.6	2,017.0	2,050.4	2,064.6	2,079.9	2,128.1	2,084.0	2,086.1	2,092.4	2,092.3	2,065.7	2,056.8
Total employment*	1,838.0	1,731.0	1,744.4	1,782.9	1,820.1	1,846.9	1,903.9	1,862.3	1,869.9	1,899.6	1,895.8	1,856.4	1,842.8
Total unemployment*	231.0	279.6	272.6	267.5	244.5	233.0	224.2	221.7	216.2	192.8	196.5	209.3	214.0
Percent of Labor Force	11.2	13.9	13.5	13.0	11.8	11.2	10.5	10.6	10.4	9.2	9.4	10.1	10.4
1982													
Civilian Labor Force	2,024.0	1,971.6	1,983.2	2,006.4	2,022.5	2,039.5	2,070.3	2,039.8	2,030.7	2,041.9	2,037.8	2,019.9	2,024.5
Total employment*	1,779.0	1,724.6	1,734.0	1,762.8	1,781.8	1,795.5	1,826.9	1,795.8	1,790.4	1,811.4	1,797.4	1,766.1	1,761.4
Total unemployment*	245.0	247.0	249.2	243.6	240.7	244.0	243.4	244.0	240.3	230.5	240.4	253.8	263.1
Percent of Labor Force	12.1	12.5	12.6	12.1	11.9	12.0	11.8	12.0	11.8	11.3	11.8	12.6	13.0
1981													
Civilian Labor Force	1,996.0	1,965.9	1,972.6	1,984.9	1,992.2	1,998.6	2,037.3	2,004.8	1,996.6	2,009.6	2,011.1	1,983.4	1,994.8
Total employment*	1,806.0	1,777.3	1,780.8	1,797.9	1,810.4	1,822.2	1,851.9	1,818.5	1,813.1	1,834.1	1,822.7	1,777.7	1,765.4
Total unemployment*	190.0	188.6	191.8	187.0	181.8	176.4	185.4	186.3	183.5	175.5	188.4	205.7	229.4
Percent of Labor Force	9.5	9.6	9.7	9.4	9.1	8.8	9.1	9.3	9.2	8.7	9.4	10.4	11.5
1980													
Civilian Labor Force	1,985.0	1,929.4	1,940.1	1,964.8	1,980.3	1,999.4	2,032.6	1,995.4	1,982.1	2,002.8	2,003.6	1,983.8	1,993.8
Total employment*	1,828.0	1,763.1	1,789.6	1,818.8	1,830.2	1,851.4	1,869.9	1,834.8	1,833.3	1,855.2	1,849.9	1,821.6	1,818.2
Total unemployment*	156.0	166.3	150.5	146.0	150.1	148.0	162.7	160.6	148.8	147.6	153.7	162.2	175.6
Percent of Labor Force	7.9	8.6	7.8	7.4	7.6	7.4	8.0	8.0	7.5	7.4	7.7	8.2	8.8
1979													
Civilian Labor Force	1,937.0	1,840.5	1,854.4	1,886.4	1,909.9	1,943.8	2,005.4	1,972.9	1,965.2	1,993.4	1,974.6	1,942.6	1,954.9
Total employment*	1,806.0	1,688.5	1,712.1	1,752.1	1,782.1	1,823.5	1,875.6	1,843.5	1,845.6	1,876.5	1,853.2	1,813.8	1,805.5
Total unemployment*	131.0	152.0	142.3	134.3	127.8	120.3	129.8	129.4	119.6	116.9	121.4	128.8	149.4
Percent of Labor Force	6.8	8.3	7.7	7.1	6.7	6.2	6.5	6.6	6.1	5.9	6.1	6.6	7.6
1978													
Civilian Labor Force	1,808.0	1,707.8	1,723.5	1,757.8	1,779.2	1,814.5	1,862.8	1,831.7	1,829.6	1,846.5	1,845.6	1,840.0	1,857.1
Total employment*	1,684.0	1,556.6	1,582.2	1,624.3	1,655.5	1,694.8	1,737.8	1,715.2	1,715.7	1,736.7	1,739.2	1,722.3	1,727.7
Total unemployment*	124.0	151.2	141.3	133.5	123.7	119.7	125.0	116.5	113.9	109.8	106.4	117.7	129.4
Percent of Labor Force	6.9	8.9	8.2	7.6	7.0	6.6	6.7	6.4	6.2	5.9	5.8	6.4	7.0
1977													
Civilian Labor Force	1,691.0	1,607.0	1,625.1	1,647.3	1,666.7	1,687.1	1,733.9	1,725.1	1,729.0	1,731.5	1,730.7	1,706.9	1,713.5
Total employment*	1,544.0	1,446.0	1,457.8	1,481.3	1,511.9	1,536.6	1,581.7	1,570.7	1,581.0	1,599.0	1,603.4	1,577.0	1,581.5
Total unemployment*	148.0	161.0	167.3	166.0	154.8	150.5	152.2	154.4	148.0	132.5	127.3	129.9	132.0
Percent of Labor Force	8.8	10.0	10.3	10.1	9.3	8.9	8.8	8.9	8.6	7.7	7.4	7.6	7.7

Resident Civilian Labor Force and Employment in Washington State, 1970-1985 1/
(In Thousands)

	Annual Average 2/	January	February	March	April	May	June	July	August	September	October	November	December
1976													
Civilian Labor Force	1,621.0	1,555.4	1,559.3	1,584.1	1,597.2	1,626.8	1,665.6	1,657.4	1,648.5	1,652.7	1,652.1	1,629.0	1,623.9
Total employment*	1,481.0	1,394.9	1,406.4	1,431.6	1,455.2	1,495.5	1,529.2	1,518.2	1,514.8	1,524.3	1,526.2	1,493.7	1,402.0
Total unemployment*	140.0	160.5	152.9	152.5	142.0	131.3	136.4	139.2	133.8	128.4	125.9	135.3	141.9
Percent of Labor Force	8.7	10.3	9.8	9.6	8.9	8.1	8.2	8.4	8.1	7.8	7.6	8.3	8.7
1975													
Civilian Labor Force	1,561.0	1,480.7	1,504.4	1,531.5	1,541.1	1,571.6	1,622.1	1,601.2	1,594.9	1,593.8	1,568.9	1,563.4	1,558.2
Total employment*	1,412.0	1,355.1	1,355.1	1,378.3	1,398.1	1,427.9	1,459.8	1,439.3	1,439.3	1,443.9	1,428.3	1,414.1	1,404.7
Total unemployment*	149.0	125.6	149.3	153.2	143.0	143.7	162.3	161.9	155.6	149.9	140.6	149.3	153.5
Percent of Labor Force	9.5	8.5	9.9	10.0	9.3	9.1	10.0	10.1	9.8	9.4	9.0	9.6	9.9
1974													
Civilian Labor Force	1,530.0	1,455.0	1,470.0	1,489.4	1,510.9	1,543.4	1,590.7	1,591.6	1,566.0	1,565.8	1,543.8	1,516.2	1,505.4
Total employment*	1,420.0	1,325.9	1,345.1	1,370.4	1,401.7	1,443.2	1,480.4	1,481.3	1,462.5	1,468.7	1,450.8	1,414.1	1,396.0
Total unemployment*	109.0	129.1	124.9	119.0	109.2	100.2	110.3	110.3	103.5	97.1	93.0	102.1	109.4
Percent of Labor Force	7.2	8.9	8.5	8.0	7.2	6.5	6.9	6.9	6.6	6.2	6.0	6.7	7.3
1973													
Civilian Labor Force	1,484.0	1,406.3	1,423.3	1,450.7	1,463.9	1,489.9	1,547.2	1,524.1	1,515.1	1,520.7	1,497.8	1,484.1	1,484.6
Total employment*	1,367.0	1,270.5	1,296.7	1,328.9	1,353.3	1,384.9	1,427.7	1,404.8	1,399.0	1,409.3	1,390.5	1,370.8	1,367.6
Total unemployment*	117.0	135.8	126.6	121.8	110.6	105.0	119.5	119.3	116.1	111.4	107.3	113.3	117.0
Percent of Labor Force	7.9	9.7	8.9	8.4	7.6	7.0	7.7	7.8	7.7	7.3	7.2	7.6	7.9
1972													
Civilian Labor Force	1,435.0	1,371.6	1,393.9	1,401.7	1,419.9	1,445.2	1,498.6	1,476.2	1,466.5	1,446.2	1,430.0	1,425.6	1,432.6
Total employment*	1,297.0	1,216.8	1,227.8	1,257.4	1,279.5	1,313.5	1,352.0	1,334.4	1,336.7	1,325.2	1,315.5	1,307.2	1,297.9
Total unemployment*	137.0	154.8	166.1	144.3	140.4	131.7	146.6	141.8	129.8	121.0	114.5	118.4	134.7
Percent of Labor Force	9.5	11.3	11.9	10.3	9.9	9.1	9.8	9.6	8.9	8.4	8.0	8.3	9.4
1971													
Civilian Labor Force	1,402.0	1,357.9	1,370.9	1,371.7	1,388.0	1,398.3	1,462.7	1,440.1	1,431.4	1,421.1	1,398.0	1,382.8	1,389.0
Total employment*	1,259.0	1,197.7	1,212.2	1,222.1	1,245.7	1,265.2	1,312.0	1,290.3	1,293.6	1,290.3	1,271.4	1,253.0	1,254.5
Total unemployment*	142.0	160.2	158.7	149.6	142.3	133.1	150.7	149.8	137.8	130.8	126.6	129.8	134.5
Percent of Labor Force	10.1	11.8	11.6	10.9	10.3	9.5	10.3	10.4	9.6	9.2	9.1	9.4	9.7
1970													
Civilian Labor Force	1,414.0	1,376.9	1,388.0	1,402.3	1,391.7	1,414.5	1,470.2	1,454.1	1,444.9	1,442.7	1,408.6	1,394.4	1,391.3
Total employment*	1,285.0	1,270.9	1,270.3	1,280.4	1,283.6	1,300.2	1,331.9	1,311.9	1,304.3	1,304.5	1,272.8	1,249.5	1,239.4
Total unemployment*	130.0	106.0	117.7	121.9	108.1	114.3	138.3	142.2	140.6	138.2	135.8	144.9	151.9
Percent of Labor Force	9.2	7.7	8.5	8.7	7.8	8.1	9.4	9.8	9.7	9.6	9.6	10.4	10.9

1/ Prepared in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration.

2/ Average annual data are from the Current Population Survey. Detail may not add due to rounding.

* Official CPS benchmark estimates

State of Washington
Employment Security Department
Labor Market and Economic Analysis Branch

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
RESEARCH AND ANALYSIS BRANCH
OLYMPIA, WASHINGTON

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1985

(In Thousands) (Benchmark: March 1985)

1985
Preliminary

Industry	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1,707.6	1,648.1	1,649.4	1,670.8	1,693.5	1,709.4	1,726.7	1,710.6	1,720.9	1,741.5	1,745.1	1,738.9	1,735.8
Manufacturing	294.1	284.5	285.9	289.5	290.7	292.5	294.0	295.9	299.7	302.2	301.8	297.1	294.8
Durable Goods	204.2	198.3	200.1	201.9	202.9	203.3	204.4	204.7	205.9	207.2	207.8	207.1	206.6
Lumber & Wood Products	37.9	36.1	36.4	36.7	37.3	38.2	39.2	39.2	39.3	39.1	38.8	37.6	36.4
Furniture & Fixtures	3.7	3.6	3.6	3.7	3.8	3.8	3.7	3.6	3.6	3.8	3.8	3.9	3.8
Stone, Clay & Glass Products	6.5	5.9	5.9	6.2	6.5	6.5	6.6	6.7	6.8	6.8	6.8	6.5	6.3
Primary Metals	12.8	13.2	13.0	13.0	12.9	12.8	12.8	12.8	12.8	12.8	12.9	12.5	12.5
Aluminum	8.6	8.8	8.6	8.7	8.8	8.7	8.6	8.6	8.6	8.6	8.6	8.4	8.4
Fabricated Metal Products	9.6	9.3	9.2	9.3	9.3	9.4	9.5	9.8	10.0	10.2	10.1	9.8	9.6
Machinery	29.2	29.1	29.7	29.7	29.4	28.6	28.7	28.5	28.6	28.8	29.1	29.7	30.3
Machinery (exc. electrical)	16.8	16.4	17.2	17.1	16.9 1/	16.2	16.2	16.2	16.3	16.5	17.0	17.6 1/	18.0
Electrical Equipment	12.4	12.7	12.5	12.6	12.5	12.4	12.5	12.3	12.3	12.3	12.1	12.1	12.3
Transportation Equipment	89.3	85.9	87.1	88.1	88.5	88.6	88.5	88.8	89.8	90.8	91.5	92.2	92.8
Aerospace	76.0	72.0	73.3	73.8	74.3	74.7	75.1	76.0	76.9	77.9	78.6	79.7	79.9
Other Transportation Equip.	13.4	13.9	13.8	14.3	14.2	13.9	13.4	12.8	12.9	12.9	12.9	12.5	12.9
Instruments & Related Prod.	10.8	10.6	10.7	10.7	10.8	11.0	11.0	11.0	10.7	10.7	10.6	10.6	10.6
Misc. Manufacturing Indus.	4.4	4.6	4.5	4.5	4.4	4.4	4.4	4.3	4.3	4.2	4.2	4.3	4.3
Nondurable Goods	89.9	86.2	85.8	87.6	87.8	89.2	89.6	91.2	93.8	95.0	94.0	90.0	88.2
Food & Kindred Products	31.0	28.0	27.8	29.0	29.6	30.7	31.2	32.1	34.2 1/	35.2	34.2	30.7	28.9
Canned & Preserved Foods	11.6	8.9	8.8	9.6	10.6	11.1	11.5	12.4	14.1	16.3	14.6	11.3	9.5
Apparel & Allied Products	6.2	6.4	6.2	6.2	5.9	5.9	5.8	6.1	6.3	6.3	6.5	6.3	6.3
Paper & Allied Products	16.4	16.4	16.4	16.5	16.3	16.3	16.2 1/	16.5 1/	16.7	16.5	16.3	16.1	16.2
Printing & Publishing	17.5	17.3	17.2	17.4	17.4	17.5	17.6	17.5	17.4	17.7	17.7	17.7	17.7
Chemicals & Allied Products	11.3	10.7	10.8	11.0	11.1	11.2	11.3	11.4	11.5	11.6	11.7	11.7	11.7
Other Nondurable Goods	7.5	7.4	7.4	7.5	7.5	7.6	7.5	7.6	7.7	7.7	7.6	7.5	7.4
Nonmanufacturing	1,413.5	1,363.6	1,363.5	1,381.3	1,402.8	1,416.9	1,432.7	1,414.7	1,421.2	1,439.3	1,443.3	1,441.8	1,441.0
Mining & Quarrying	2.7	2.4	2.4	2.5	2.6	2.6	2.7	2.9	3.0	3.0	2.9	2.9	2.8
Construction	79.9	69.4	68.6	73.8	76.6	80.0	83.6	86.0	87.7	87.9	85.6	81.5	78.5
Transp., Comm., & Utilities	93.7	89.3	89.3	90.2	91.7 1/	93.1 1/	94.5 1/	96.0	96.5	97.2	96.0	95.2	95.2
Trade	421.6	407.7	401.8	406.5	412.9	418.7	425.9	425.7	427.9	432.4	428.5	433.8	437.0
Wholesale Trade	106.0	102.5	102.3	103.7	105.3	105.5	107.7	107.3	107.4	109.5	107.9	106.7	105.9
Retail Trade	315.6	305.2	299.5	302.8	307.6	313.2	318.2	318.4	320.5	322.9	320.6	327.1	331.1
Finance, Ins. & Real Estate	99.2	96.5	96.6	97.3	98.2	98.9	99.8	100.4	100.7	100.5	100.6	100.6	100.8
Services & Miscellaneous	373.4	358.3	360.8	365.6	372.7	374.9	376.7	376.7	378.2	382.5	378.4	376.7	378.8
Health Services	116.9	114.6	114.5	115.2	115.6	116.3	117.3	117.6	118.0	118.4	118.3	118.3	118.3
Government	343.0	340.0	344.0	345.4	348.1	348.7	349.5	327.0	327.2	335.8 1/	351.3	351.1	347.9
Federal	69.9	68.4	68.5	68.2	70.2	70.2	70.8	71.6	71.6	70.8	70.1	69.7	69.2
State & Local	273.1	271.6	275.5	277.2	277.9	278.5	278.7	255.4	255.6	265.0 1/	281.2	281.4	278.7
Education	142.3	149.1	152.2	152.5	152.0	151.7	148.5	118.0	116.8	113.2 1/	151.0	152.4	150.7
Workers in Labor-Management Disputes	1.2	0.0	0.0	0.7	0.7	0.7	1.3	0.4	0.2	3.7	0.0	0.1	0.0

1/ Workers excluded because of involvement in labor-management disputes.
2/ Detail may not add due to rounding.

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
RESEARCH AND ANALYSIS BRANCH
OLYMPIA, WASHINGTON

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1984

(In Thousands)

(Benchmark: March 1985)

1984
Revised

Industry	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1,659.9	1,592.5	1,605.3	1,625.8	1,642.6	1,660.6	1,680.8	1,665.7	1,678.2	1,703.7	1,696.2	1,688.4	1,678.5
Manufacturing	288.1	275.0	279.2	282.1	284.6	287.4	290.3	290.9	295.4	297.6	295.4	291.9	286.9
Durable Goods	199.9	191.6	194.9	197.3	198.5	200.0	201.0	201.7	203.0	204.3	203.5	202.8	199.7
Lumber & Wood Products	41.3	39.6	40.8	41.4	41.9	42.6	43.0	42.9	42.2	42.3	41.3	39.7	37.9
Furniture & Fixtures	3.5	3.3	3.4	3.4	3.5	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.6
Stone, Clay & Glass Products	6.5	5.7	5.9	6.1	6.2	6.4	6.6	6.9	7.0	7.0	6.8	6.6	6.3
Primary Metals	13.4	13.2	13.5	13.6	13.6	13.5	13.3	13.4	13.3	13.4	13.2	13.2	13.2
Aluminum	8.8	8.6	8.9	9.0	9.0	8.8	8.5	8.7	8.8	8.8	8.7	8.9	8.9
Fabricated Metal Products	9.9	9.2	9.3	9.6	9.8	9.8	10.0	10.3	10.4	10.4	10.4	10.3	9.7
Machinery	28.3	27.1	27.8	28.2	28.3	28.6	28.3	28.4	28.6	28.7	28.5	28.5	28.4
Machinery (exc. electrical)	16.4	16.4	16.9	17.1	17.0	17.0	16.6	16.4	16.4	16.3	15.9	15.7	15.6
Electrical Equipment	11.8	10.7	10.9	11.1	11.3	11.6	11.7	12.0	12.2	12.4	12.6	12.8	12.8
Transportation Equipment	82.2	79.2	79.9	80.5	80.6	80.9	81.4	81.4	82.8	83.7	84.5	85.5	85.4
Aerospace	66.6	62.9	63.5	63.9	64.2	64.6	65.6	66.1	67.5	68.5	69.6	70.9	71.4
Other Transportation Equip.	15.6	16.3	16.4	16.6	16.4	16.3	15.8	15.3	15.3	15.2	14.9	14.6	14.0
Instruments & Related Prod.	10.2	9.9	9.9	10.0	10.0	10.1	10.3	10.3	10.4	10.4	10.4	10.5	10.5
Misc. Manufacturing Indus.	4.6	4.4	4.4	4.5	4.6	4.6	4.6	4.8	4.8	4.8	4.7	4.8	4.7
Nondurable Goods	88.2	83.4	84.3	84.8	86.1	87.4	89.3	89.2	92.4	93.3	91.9	89.1	87.2
Food & Kindred Products	30.8	27.6	28.6	28.6	29.5	30.4	31.5	31.4	33.9	35.0	33.8	30.8	28.8
Canned & Preserved Foods	11.0	8.1	9.1	9.1	10.1	10.9	11.6	11.2	13.2	14.6	13.8	11.2	9.4
Apparel & Allied Products	6.5	6.0	6.1	6.1	6.2	6.3	6.5	6.7	6.8	6.8	6.9	6.8	6.8
Paper & Allied Products	16.2	16.1	15.9	16.1	16.0	16.0	16.3	16.6	16.5	16.1 1/	15.9 1/	16.1	16.2
Printing & Publishing	16.9	16.4	16.4	16.6	16.7	16.8	17.0	16.8	17.0	17.0	17.2	17.3	17.3
Chemicals & Allied Products	10.5	10.2	10.2	10.4	10.6	10.7	10.7	10.3	10.4	10.7	10.7	10.7	10.7
Other Nondurable Goods	7.3	7.1	7.1	7.0 1/	7.1 1/	7.2 1/	7.3 1/	7.4 1/	7.8	7.7	7.4	7.[illegible]	[illegible].4
Nonmanufacturing	1,371.8	1,317.5	1,326.1	1,343.7	1,358.0	1,373.2	1,390.5	1,374.8	1,382.8	1,406.1	1,400.8	1,396.5	1,391.6
Mining & Quarrying	2.6	2.5	2.5	2.5	2.5	2.6	2.7	2.8	2.8	2.8	2.8	2.6	2.6
Construction	79.6	68.9	70.6	74.8	76.4	79.0	83.6	85.1	88.2	87.4	84.9	80.4	75.6
Transp., Comm., & Utilities	91.2	87.6	87.8	88.8	89.6	90.8	92.3	92.8	93.5	94.0	92.7	92.2	92.1
Trade	411.6	394.5	392.0	397.5	403.2	408.2	415.7	419.5	420.2	423.9	419.1	421.2	423.9
Wholesale Trade	104.7	100.1	101.0	102.3	103.2	103.7	105.4	107.4	106.5	108.1	107.1	106.2	105.1
Retail Trade	306.9	294.4	291.0	295.2	300.0	304.5	310.3	312.1	313.7	315.8	312.0	315.0	318.8
Finance, Ins. & Real Estate	95.7	93.4	93.5	94.2	95.0	95.7	96.6	96.9	97.3	97.0	96.3	96.2	96.5
Services & Miscellaneous	356.6	339.4	344.7	349.6	354.2	356.9	360.5	360.6	364.0	368.0	361.7	359.8	359.9
Health Services	112.8	110.1	110.3	111.3	111.9	112.3	113.8	113.7	114.2	114.1	114.0	114.0	114.0
Government	334.5	331.2	334.8	336.3	337.1	340.0	339.1	317.1	316.8	333.0	343.3	344.1	341.0
Federal	68.9	66.9	67.0	67.0	67.8	68.5	69.5	70.7	71.1	70.1	69.7	69.4	69.3
State & Local	265.6	264.3	267.8	269.3	269.3	271.5	269.6	246.4	245.7	262.9	273.6	274.7	271.7
Education	141.5	145.1	148.2	148.6	157.6	148.9	144.0	112.2	110.7	134.2	149.2	150.9	148.5
Workers in Labor-Management Disputes	0.1	0.0	0.0	0.2	0.2	0.3	0.2	0.2	0.0	0.3	0.3	0.0	0.0

1/ Workers excluded because of involvement in labor-management disputes.
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NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1983

(In Thousands) (Benchmark: March 1985) 3/

1983
Revised

Industry	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1,586.1	1,525.3	1,528.8	1,544.3	1,568.9	1,581.2	1,610.7	1,581.4	1,582.0	1,622.6	1,633.6	1,627.8	1,627.6
Manufacturing	278.4	271.8	270.5	272.1	275.6	277.0	281.0	281.2	280.9	283.9	285.5	282.5	278.6
Durable Goods	192.8	190.9	190.1	190.5	192.3	192.3	193.7	194.5	191.8	192.4	195.8	195.7	193.8
Lumber & Wood Products	42.2	36.6	38.0	38.7	40.5	42.2	43.8	45.1	45.8	45.6	44.7	43.3	41.9
Furniture & Fixtures	3.2	2.9	2.9	3.0	3.0	3.1	3.2	3.2	3.3	3.4	3.6	3.6	3.6
Stone, Clay & Glass Products	6.0	5.4	5.4	5.6	5.9	6.0	6.1	6.3	6.4	6.5	6.5	6.3	6.1
Primary Metals	12.6	11.8	11.7	12.0	12.3	12.5	12.7	13.0	13.0	13.2	13.0 3/	13.3	13.2
Aluminum	8.2	7.5	7.5	7.6	7.8	8.1	8.1	8.4	8.5	8.6	8.4 3/	8.7	8.7
Fabricated Metals	9.4	9.0	8.8	8.9	8.8 1/	8.9 1/	9.3	9.5 1/	9.9	10.0	10.0	9.7	9.4
Machinery	25.6	25.3	25.2	25.1	25.5 1/	25.1 1/	25.2 1/	25.2 1/	25.5	25.6	26.3	26.4	26.6
Machinery (exc. electrical)	15.3	14.8	14.8	14.9	15.2 1/	14.7 1/	14.9 1/	15.0 1/	15.3	15.4	16.0	16.0	16.2
Electrical Equipment	10.3	10.5	10.4	10.2	10.3	10.4	10.3	10.2	10.2	10.2	10.3	10.4	10.4
Transportation Equipment	80.2	87.0	85.2	84.1	83.1	81.3 1/	80.0	78.4	74.0 1/	74.1 1/	77.7	78.9	78.8
Aerospace	65.0	70.4	68.9	67.6	66.6	65.5	64.2	63.3	62.6	62.4	62.4	62.8	62.8
Other Transportation Equip.	15.3	16.6	16.3	16.5	16.5	15.8 1/	15.8	15.1	11.4 1/	11.7 1/	15.3	16.1	16.0
Instruments & Related Prod.	9.4	9.0	9.0	9.2	9.2	9.1	9.2	9.6	9.6	9.7	9.7	9.7	9.7
Misc. Manufacturing Indus.	4.2	3.9	3.9	3.9	4.0	4.1	4.2	4.2	4.3	4.3	4.3	4.5	4.5
Nondurable Goods	85.6	80.9	80.4	81.6	83.3	84.7	87.3	86.7	89.1	91.5	89.7	86.8	84.8
Food & Kindred Products	31.1	28.0	27.8	28.6	30.0	30.9	33.0	31.5	33.7	35.4	34.1	31.1	29.0
Canned & Preserved Foods	10.8	8.9	8.5	8.7	9.9	10.3	12.4	11.0	12.9	14.2	13.6	10.8	8.9
Apparel & Allied Products	5.9	5.5	5.5	5.5	5.5	5.6	5.7	6.0	6.1	6.3	6.1	6.3	6.3
Paper & Allied Products	15.8	15.8	15.5	15.4	15.4	15.4	15.7	16.2	16.1	16.3	15.9	15.8	15.9
Printing & Publishing	16.0	15.7	15.7	15.9	16.0	16.1	15.9	15.8	15.9	16.1	16.4	16.4	16.5
Chemicals & Allied Products	10.1	9.6	9.6	9.8	9.9	10.1	10.3	10.3	10.2	10.3	10.2	10.3	10.3
Other Nondurable Goods	6.7	6.3	6.3	6.4	6.5	6.6	6.7	6.9	7.1	7.1	7.0	6.9	6.8
Nonmanufacturing	1,307.8	1,253.5	1,258.3	1,272.2	1,293.3	1,304.2	1,329.7	1,300.2	1,301.1	1,338.7	1,348.1	1,345.3	1,349.0
Mining & Quarrying	2.7	2.4	2.4	2.5	2.6	2.7	2.7	2.8	3.0	2.9	2.9	2.7	2.7
Construction	74.2	65.0	65.2	67.0	70.0	72.7	76.1	78.0	80.8 1/	82.0	81.6	77.2	75.1
Transp., Comm., & Utilities	87.9	84.5	84.5	84.8	86.8	87.2	89.0	90.2	85.5 1/	91.8 1/	90.9	90.0 3/	90.1 3/
Trade	393.9	375.0	372.6	376.7	384.8	390.1	398.8	397.5	401.1 1/	406.1	404.5	407.0	412.3
Wholesale Trade	100.5	94.2	94.9	96.4	98.4	98.7	102.0	101.4	102.7	105.3	105.0	103.7	103.3
Retail Trade	293.4	280.8	277.7	280.3	286.4	291.4	296.8	296.1	298.4 1/	300.8	299.5 3/	303.3 3/	309.0
Finance, Ins. & Real Estate	92.3	89.2	89.6	90.2	91.5	92.0	93.0	93.3	93.7	94.1	93.4	93.4	93.7
Services & Miscellaneous	332.8	317.0	319.6	324.0	328.9	329.7	334.0	332.8	335.7	343.6	342.8	341.7	343.7
Government	324.0	320.4	324.4	327.0	328.7	329.8	336.1	305.6	301.3	318.2 1/	332.0	333.3	331.4
Federal	67.6	65.9	65.6	66.8	67.3	67.4	68.6	69.3	69.1	68.6	67.8	67.5	67.4
State & Local	256.4	254.5	258.8	260.2	261.4	262.4	267.5	236.3	232.2	249.6 1/	264.2	265.8	264.0
Education	135.7	138.4	142.4	142.6	142.5	142.7	142.1	109.4	106.8	126.6 1/	143.7	146.6	145.1
Workers in Labor-Management Disputes	1.6	0.0	0.0	0.0	0.3	1.4	0.3	0.9	9.5	5.1	0.8	1.1	0.3

1/ Workers excluded because of involvement in labor-management disputes.
2/ Detail may not add due to rounding.
3/ Revised in March 1985 due to additional corporate officers.

5/8/86 S9340-3

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 3 March 1986

HIGHLIGHTS

Seasonal Expansion Begins

Total unemployment in Washington State began to drop from its winter peak, falling from 183,700 and 8.8 percent in January to 177,100 and 85. percent in February. Reflecting the improvement, nonagricultural wage and salary employment rose 4,900 over the month despite unfavorable weather conditions which prevented any significant job gains in outdoor activities. Major expansions occurred in services and public education. The largest gains in the services group

	Feb. 1986* (Prel.)	Jan. 1986* (Rev.)	Feb. 1985
Civilian Labor Force	2,076,100	2,083,200	2,044,300
Total Employment	1,899,000	1,899,500	1,840,400
Total Unemployment	177,100	183,700	203,900
State Unemployment Rate	8.5	8.8	10.0
National Civilian Unemployment Rate	7.8	7.3	7.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

were credited to firms which prepare income tax returns for the public and in amusements and private education. Manufacturing employment edged higher in February. Aerospace payrolls continued to grow, as did employment in nonelectrical machinery. Food product firms began their seasonal expansion, but shipbuilding employment continued to decline.

Although seasonal factors were positive overall between January and February, employment in retail trade fell because of the end of January sales and inventory work. Construction payrolls were slightly lower because weather conditions in February were less favorable than in January. The weather in January was wet but mild. In February, snow and colder weather returned to much of the state. Weather conditions also prevented an expansion in logging.

Conflicting Data, State and National

Contrasting with the moderate gain in nonfarm wage and salary employment between January and February, total employment in the state slipped slightly, falling 500. This paralleled developments nationally where total employment as measured by the household survey fell, while nonagricultural wage and salary employment as measured by the survey of business establishments rose. The reason for the divergence in the two series nationally and in this state was due partly to changes in self-employment and agricultural employment. Also responsible were normal errors which can be expected in any sample survey.

Although the total employment estimate for the state slipped in February, the upward movement in employment indicated in the wage and salary survey of business establishments is probably a better reflection of the true change in the economy. Only about 800 of the state's households are included in the household survey data which is used in monthly adjustment of the total employment estimates for the state. By contrast, the estimates of nonagricultural wage and salary employment in February included a sample of about 50 percent of all wage and salary workers in the state.

Substantial Over-the-Year Improvement

Although the January-February changes in employment and unemployment were minor, improvement in the state's economy over the year was substantial. Total employment between February 1985 and 1986 rose 58,600, while total unemployment fell 26,800. Compared with the 8.5 percent jobless rate this past February, the unemployment rate in February 1985 was 10.0 percent.

The nonagricultural wage and salary series reflected an even greater advance with nonfarm employment growing 65,700 over the year. Estimates by industry showed an increase of 8,100 in manufacturing: gains of 8,100 in aerospace, 1,200 in nonelectrical machinery, and 700 each in food products and chemicals more than offset losses of 1,300 in other transportation equipment (mainly shipbuilding), 600 in primary metals, and 500 in lumber.

Services, in the nonmanufacturing industries, continued to lead the expansion with a gain of 18,300. Retail trade followed with 16,000 more jobs than in February 1985. Year-to-year job gains of 4,000 to 5,000 were credited to construction, transportation-communications-utilities, and finance-insurance-real estate. State and local government employment rose 7,600. Only 700 of the gain was on the state level.

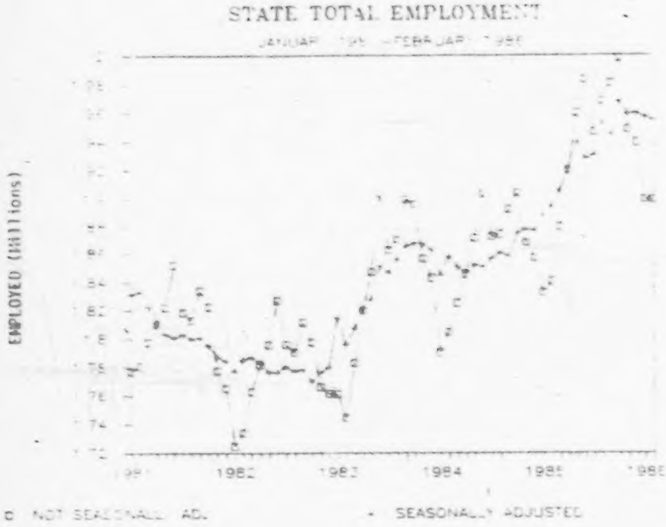
Outlook Encouraging

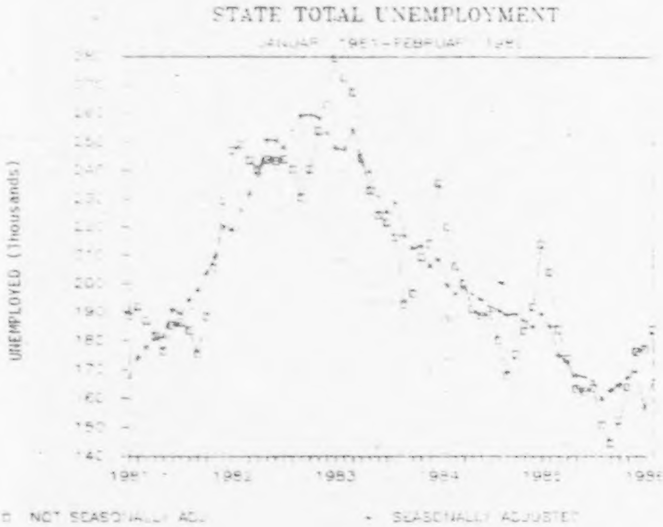
The outlook for the state's economy continues to brighten as we move into spring. Sharp declines in crude oil prices have reduced the price of gasoline substantially, giving consumers more money to spend on other goods and services. Lower gasoline prices coupled with EXPO 86 in nearby Vancouver, B.C., should guarantee a substantial boost in tourist business this spring and summer.

Declining interest rates are also improving the outlook for consumer spending. Lower rates reduce the monthly cost of big-ticket items purchased on time. In addition, many home owners are now refinancing their mortgages at lower rates. This reduces their monthly payments, giving them more discretionary income.

The current outlook in the state's two largest manufacturing industries adds to the optimism for 1986. In aerospace, The Boeing Company's backlog continues to grow and prospects for further job gains look good. The most encouraging development, however, is signs of a turnaround in the state's lumber industry. Lumber prices, orders, and production have been on the increase because of growth in homebuilding, the largest market for lumber products. Automation and strong competition from Canadian and Southern lumber producers will limit employment growth in the industry. Nonetheless, it should add a sizable number of jobs in many hard-pressed rural counties by late spring.

All in all, the outlook for the state's economy looks brighter than at any time since the beginning of the decade.





MANUFACTURING INDUSTRIES

Aerospace continued to lead the growth in the state's manufacturing jobs and was credited with 700 of the 900 new manufacturing jobs between January and February. Over the year, the number of aerospace jobs rose 8,100 to match the net growth in manufacturing. Gains and losses in other manufacturing industries over the year were offsetting.

$3.3 Billion Order For Boeing Jets

Recent news in aerospace favors continued growth. In March, The Boeing Company received the largest order in aviation history from Singapore Airlines. The order was for fourteen 747-400s worth $3.3 billion. The airline also took options for six more of the same model. The 747-400 is a new long-range jumbo jet scheduled to debut in 1988. The plane is designed to serve the Pacific Rim, the fastest growing air-traffic market. Air traffic in the Pacific Rim is increasing at twice the growth rate of world air traffic.

The new planes will be delivered to Singapore Airlines at the rate of three or four a year between 1989 and 1993. The 747-400 can seat 418 passengers with room for cargo and can fly 8,000 miles without refueling. It will be the longest-range commercial airplane available.

$460 Million Order From Brazil

Small in comparison to the order from Singapore Airlines, but still noteworthy, was an order from Varig Airlines of Brazil for $460 million. The airline ordered six 767-200s and three 737-200s aircraft. Delivery will begin in 1987.

Jet Fighters Too?

The Boeing Company is preparing its first proposal in 25 years to build jet-fighters. So far, Boeing has invested $250 million and 10 years in competing for a $40 billion Air Force contract to build the Air Force's jet-fighter for the 1990s. Boeing's proposed model was designed by about 200 engineers. Six other aerospace firms are also competing for the contract.

Boeing In Joint Venture With Japanese

In another venture, Boeing announced a joint project with Japanese aircraft manufacturers to develop and build a new high-technology commercial jet to be called the 7J7. The new plane is planned to enter service in 1992. The Japanese companies have a 25 percent share in the project.

Lumber Industry Outlook Improves

With mortgage rates now at their lowest level in seven years, home-building is expected to expand this spring and summer and boost demand for lumber products. Orders for lumber have already increased as wholesalers build inventories to meet the expected rise in demand this spring and summer. Prices are well ahead of year-ago levels.

Orders And Prices Up

According to the Western Wood Products Association, new orders for lumber from western Oregon and western Washington mills through the week ended March 22, 1986 were up 14 percent from the comparable period in 1985. The trade publication Random Lengths reported the spot price for spruce-pine-fir 2x4s at $201 per thousand board feet in the week ended March 21, 1986, up from $136 one year earlier. The price of 1/2 inch sheathing plywood was $221 per thousand square feet in the same week, up from $171 one year earlier.

Tariff Recommended For Imports

The U.S. International Trade Commission recommended imposing a 35 percent tariff on imports of shingles and shakes from Canada for a five year period because the imports are injuring domestic producers. The value of U.S. imports of wood shingles and shakes from

Canada totaled $182.6 million in 1984. President Reagan will have 60 days to decide whether to accept, reject or modify the recommendation.

Shipbuilding Down Again But Recalls Expected

Employment in other transportation equipment, mainly shipbuilding, fell 400 in February. Two of the state's major shipyards, Marine Power and Equipment and Tacoma Boatbuilding Company have filed for bankruptcy. Tacoma Boatbuilding, however, announced in early April that it was recalling about 200 laid off workers to resume construction on two submarine tracker ships for the Navy. The firm had requested $21 million in additional funds from the Navy to complete the four ships remaining to be built under its contract with the Navy. Following rejection of the request in February, Tacoma Boat laid off 280 craftsmen and 60 administrative employees and stopped work on the two tracker ships under construction. The Navy and Tacoma Boat reached an agreement in late March for the completion of two of the ships for a total (not additional) of $13.8 million. One ship is 60 percent complete, and the other is 20 percent complete. Work has not started on the remaining two ships, and the Navy will seek bidders for their completion. Tacoma Boat can compete in the bidding, however.

Order Of Fries

Food products employment moved up 500 in February largely because of seasonal hiring at firms producing frozen french fries. More trimmers and sorters are needed prior to processing now than was the case in the fall when the potato crop was fresher. The over the year increase of 700 in food processing is not significant, but rather is a reflection of the volatile nature of employment in this industry.

Hygrade May Keep Tacoma Plant Open

Hygrade Food Products which had announced that it would close its Tacoma plant in April may now continue partial operation of the plant if its workers agree to accept pay cuts. Agreement could save the jobs of 200 of the firm's 400 employees. The company in announcing the closure last fall cited high wages, the plant's outmoded condition, and stiff pollution control requirements. By eliminating certain products such as hams, the firm will be able to reduce both ecological problems and the capital investment needed to remain open.

NONMANUFACTURING INDUSTRIES

Education in Payrolls Up

Public education payrolls moved up 3,100 between January and February as school districts around the state completed their staffing for the final leg of the school year. Non-education state and local government employment was up about 1,200. All of the increase was on the local level due to a variety of seasonal factors--special elections, tax statements, etc.

Federal Employment May Drop

Pentagon officials said that they will stop hiring civilians, discharge thousands from military duty ahead of schedule, and make other reductions because of cuts imposed by the Gramm-Rudman deficit reduction law. Federal civilian employment in Washington State fell 500 between January and February, but the drop was spread among non-defense agencies.

Seasonal Factors Positive and Negative

Positive seasonal factors pushed services employment up 3,000 in February but negative seasonal factors in retail trade cut employment 2,900. Gains were fairly widespread in services. The most noteworthy were at firms providing income tax preparation services; amusements, which rose in part because of the opening of a race track; and in private education which, like public education, added staff for the completion of the school year. Hotels and motels also began expanding from their winter low.

In retail trade, restaurants and drinking places reported seasonal gains, but employment reductions at department, apparel and other specialty stores following January sales and inventory work predominated. March, however, will see retail trade join services in expanding seasonally. Easter buying will push up sales and employment at department and apparel stores. Employment at lawn and garden supply stores will also expand with the approach of spring, as will payrolls at building material outlets. Employment at restaurants and drinking places will continue to grow with improved weather encouraging the local population to venture further away from home.

National Sales Down But Outlook Up

Nationally, retail sales edged down 0.1 percent in February, following a 0.2 percent drop in January but a sharp 1.9 percent increase in December. Despite recent weakness, most analysts are expecting an upturn in coming months because of overall economic growth. Another positive factor in retail sales was the 0.4 percent drop in consumer prices in February. This was the steepest drop in 30 years and the first since December 1982. The major factor in the downturn was lower prices for gasoline and food. The price drop together with rising personal income will enable consumers to buy more goods and services which, in turn, will create additional employment.

Drop In Mortgage Rates Brightens Construction Outlook

Employment in construction slipped 300 between January and February because of snow and cold weather in the latter month. Nonetheless, construction payrolls were up 4,700 over the year. Moreover, the outlook for the remainder of the year is exceptionally bright because of declining mortgage rates.

The F.W. Dodge statistical reporting service estimated the value of all construction projects in January and February 1986 rose 12 percent in Washington State from the comparable period in 1985. The number of dwelling units for which permits were issued was down two percent because of a decline in permits issued for apartment buildings. High apartment vacancy rates are becoming a problem in some areas. The number of permits issued for single family homes, however, was seven percent ahead of last year's pace. Single family units, of course, require more labor (and lumber) per unit than multi-family units.

NATIONAL CONTEXT

Recent national economic indicators continue to present a mixed picture but, on balance, point to further growth in the economy. Economists for the most part disagree over the extent of the growth in 1986, not on whether or not the economy will continue to expand. Some suggest that the sharp decline in oil prices and interest rates will result in prosperity, featuring solid growth and low inflation such as occurred in the 1960s. Others expect more modest growth and cite weak spots in the economy such as insufficient investment, low inventories, strong foreign competition and budget cutbacks under the Gramm-Rudman balanced budget law.

Leading Indicators Advance

The National Index of Leading Economic Indicators rose a sharp 0.7 percent in February suggesting growth in the economy will continue. In addition, the change in the index for January was revised from a 0.6 percent drop to no change. As a result, the index has now gone 10 straight months without a decline.

The major factor boosting the index in February was a rise in orders for business capital equipment. Other positive factors were higher stock market prices, an increase in the money supply, a gain in new business formations, and slower deliveries to businesses from vendors. The latter is considered a positive factor because it results from increasing demand.

Negative factors in the February index were a decline in the average workweek, a drop in building permits, lower business and consumer borrowing, a drop in manufacturers' orders for consumer goods, a rise in unemployment compensation claims, and lower sensitive material prices.

Production Down But Manufacturers Are Optimistic

The operating rate of the nation's factories, mines and utilities declined a steep 0.6 percentage point in February following a 0.1 percentage point drop in January. The fall in oil prices was a factor in lowering mining output, which includes oil as well as minerals. While lower oil prices benefit the overall economy, some industrial sectors as well as oil producing areas are hurt by lower oil prices.

In spite of the recent trend, a survey of the nation's largest manufacturers found that they expect to increase their capital spending by eight percent in 1986, up from the five percent increase they projected last fall. According to the Conference Board, a private research organization which conducted the survey, the upward shift in investment plans coincides with signs of improvement in the manufacturing sector.

Personal Income And Consumer Spending Advance

In other February national developments, personal income rose a healthy 0.6 percent and consumer spending rose 0.3 percent, despite the slight drop in retail sales. (Consumer spending includes the purchases of services; entertainment, hotel-motel rooms, professional services, etc.; as well as purchases of tangible goods such as food, clothing, appliances, automobiles, etc.)

Home Building Strong But Down Slightly

Housing starts in the nation fell from a seasonally adjusted annual rate of 2.06 million units in January to 1.99 million units in February. Nonetheless, the February 1986 level was the second highest in two years and up substantially from the 1.6 million unit pace estimated for February 1985. Moreover, while the number of housing starts declined nationally between January and February, they rose five percent in the Western United States, which is the major market area for Washington State lumber products.

EXPANSIONS AND DEVELOPMENT

Legislative Economic Expansion Efforts

In an effort to promote out-of-state investment, the legislature has extended the sales tax deferral program. Both out-of-state companies locating in Washington and in-state businesses moving to designated economically distressed areas will benefit. Sales taxes on construction, machinery, equipment and buildings will be deferred for three years. The sales tax would then be paid back over a five year period. Projects must create at least one new full time position for each $300,000 of investment on which taxes are deferred. Also, business and occupation tax credits are available for projects in distressed areas if the employment of the company increased 15 percent over the previous year.

Team Washington Shows Success

Team Washington, which includes the Washington State Department of Trade and Economic Development and 32 associated development organizations representing 35 of the state's 39 counties, has made strides in promoting Washington as a business location. Through the efforts of Team Washington, $300 million in projects have been attracted to the state. These projects will eventually create 1,500 jobs. Typical of the projects attracted by Team Washington are PPG Industries Inc., which is building a $50 million plate glass factory in Chehalis; a $200 million UPS distribution center in Redmond that will create 200 direct jobs; the $236 million RCA/Sharp semiconductor plant in Camas with 650 new direct jobs; and two $10 million projects, the Raleigh Cycles assembly plant in Kent and Hiller Helicopters aircraft manufacturing plant in Port Angeles. Each will create 200 direct jobs.

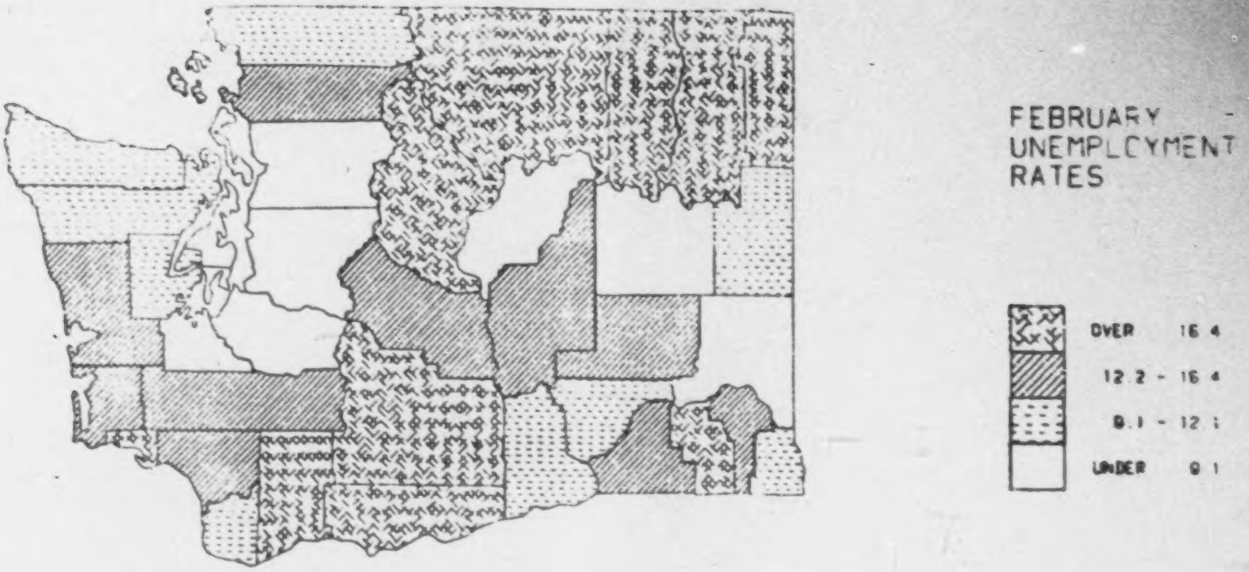
Washington May Be World's First

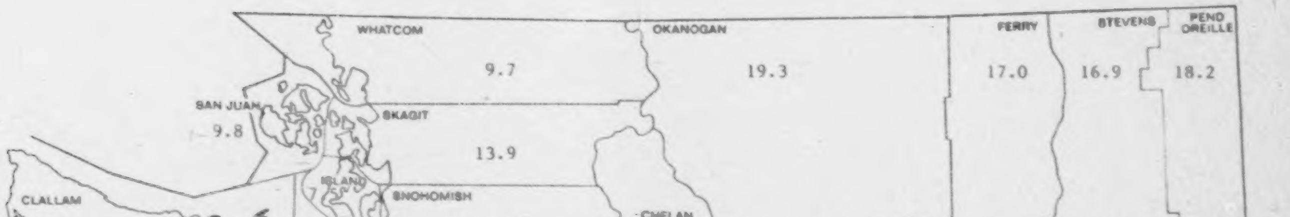
Washington may be the world's first site of a waxy barley processing plant. Waxy barley is used in the production of ethanol. J.R. Simplot Corp. of Boise plans to invest about $30 million in the project and is considering several states as locations. Company officials cite an area capable of growing barley, good transportation, and good state support for ethanol production as desirable qualities for the project site.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Feb. 1986	Jan. 1986	Feb. 1985	Feb. 1986	Jan. 1986
U.S. City Average	327.5	328.4	317.4	+3.2	+3.9
Seattle-Everett	N/A	327.0	N/A	N/A	+2.3


FEBRUARY
UNEMPLOYMENT
RATES
OVER 16.4
12.2 - 16.4
9.1 - 12.1
UNDER 9.1


WHATCOM 9.7
OKANOGAN 19.3
FERRY 17.0
STEVENS 16.9
PEND OREILLE 18.2
SAN JUAN 9.8
SKAGIT 13.9
ISLAND 7.1
SNOHOMISH 7.4
CLALLAM 11.3
CHELAN 16.4
DOUGLAS 4.7
LINCOLN 8.8
SPOKANE 9.2
JEFFERSON 9.9
KITSAP 5.7
KING 6.0
MASON 10.5
GRAYS HARBOR 13.2
KITTITAS 13.3
GRANT 13.5
ADAMS 14.9
WHITMAN 3.9
PIERCE 7.7
THURSTON 7.5
PACIFIC 12.3
LEWIS 12.6
YAKIMA 17.1
FRANKLIN 11.8
GARFIELD 12.8
BENTON 9.9
WALLA WALLA 12.6
COLUMBIA 24.8
ASOTIN 9.5
WAHKIAKUM 16.6
COWLITZ 13.1
SKAMANIA 27.6
KLICKITAT 20.3
CLARK 9.1

STATE OF WASHINGTON 8.5

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

	Feb. 1985 (Prel.)	Jan. 1985 (Rev.)	Feb. 1984	Jan. 1984	Change Jan. 86 to Feb. 86	Change Feb. 85 to Feb. 86
TOTAL NONAG. WAGE AND SALARY	1,715.1	1,710.2	1,649.4	1,648.1	+4.9	+65.7
TOTAL MANUFACTURING	294.0	293.1	285.9	284.5	+0.9	+8.1
Durable Goods	207.1	206.1	200.1	198.3	+1.0	+7.0
Lumber & Wood Products	35.9	35.9	36.4	36.1	3/ 0.0	-0.5
Furniture & Fixtures	3.7	3.7	3.6	3.6	0.0	+0.1
Stone, Clay & Glass Products	6.1	6.0	5.9	5.9	+0.1	+0.2
Primary Metals Industries	12.4	12.5	13.0	13.2	-0.1	-0.6
Aluminum Prod. & Processing	8.3	8.4	8.6	8.8	-0.1	-0.3
Fabricated Metal Products	9.6	9.4	9.2	9.3	+0.2	+0.4
Machinery	30.6	30.2	29.7	29.1	+0.4	+0.9
Machinery (exc. electrical)	18.4	18.0	17.2	16.4	+0.4	+1.2
Electrical & Electronic Equip.	12.2	12.2	12.5	12.7	0.0	-0.3
Transportation Equipment	93.9	93.6	87.1	85.9	+0.3	+6.8
Aerospace	81.4	80.7	73.3	72.0	+0.7	+8.1
Other Transportation Equip.	12.5	12.9	13.8	13.9	-0.4	-1.3
Instruments & Related Prod.	10.5	10.4	10.7	10.6	+0.1	-0.2
Misc. Manufacturing Indus.	4.4	4.4	4.5	4.6	0.0	-0.1
Nondurable Goods	86.9	87.0	85.8	86.2	-0.1	+1.1
Food & Kindred Products	28.5	28.0	27.8	28.0	+0.5	+0.7
Canned & Preserved Foods	9.5	9.1	8.8	8.9	+0.4	+0.7
Apparel & Other Text. Products	6.1	6.2	6.2	6.4	-0.1	-0.1
Paper & Allied Products	16.0	16.2	16.4	16.4	-0.2	-0.4
Printing & Publishing	17.3	17.5	17.2	17.3	-0.2	+0.1
Chemicals & Allied Products	11.5	11.6	10.8	10.7	-0.1	+0.7
Other Nondurable Goods 2/	7.5	7.5	7.4	7.4	0.0	+0.1
MINING & QUARRYING	2.8	2.8	2.4	2.4	0.0	+0.4
CONSTRUCTION	73.3	73.6	68.6	69.4	-0.3	+4.7
TRANSP. & PUBLIC UTILITIES	93.6	93.7	89.3	89.3	-0.1	+4.3
WHOLESALE & RETAIL TRADE	419.6	422.3	401.8	407.7	-2.7	+17.8
Wholesale Trade	104.1	103.9	102.3	102.5	+0.2	+1.8
Retail Trade	315.5	318.4	299.5	305.2	-2.9	+16.0
FINANCE, INS. & REAL ESTATE	101.1	100.8	96.6	96.5	+0.3	+4.5
SERVICES	379.1	376.1	360.8	358.3	+3.0	+18.3
Health Services	118.5	118.3	114.5	114.6	+0.2	+4.0
GOVERNMENT	351.6	347.8	344.0	340.0	+3.8	+7.6
Federal	68.2	68.7	68.5	68.4	-0.5	-0.3
State & Local	283.4	279.1	275.5	271.6	+4.3	+7.9
Education	154.5	151.4	152.2	149.1	+3.1	+2.3
Workers in Labor Management Disputes	0.0	0.0	0.0	0.1	0.0	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

Date: April 1, 1986
Benchmark: 1985

(Not Seasonally Adjusted)

	February 1986 Preliminary 1/				January 1986 Revised				February 1985 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,076,100	1,899,000	177,100	8.5	2,083,200	1,899,500	183,700	8.8	2,044,300	1,840,400	203,900	10.0
Bellingham MSA	52,700	47,600	5,100	9.7	53,000	47,700	5,300	10.0	52,100	46,100	6,000	11.5
Bremerton MSA	68,900	65,000	3,900	5.7	69,500	65,500	4,000	5.8	67,300	62,800	4,500	6.7
Olympia MSA	67,100	62,100	5,000	7.5	67,100	62,000	5,100	7.6	66,200	60,300	5,900	8.9
Seattle PMSA	917,100	859,200	57,900	6.3	919,600	860,000	59,600	6.5	891,100	822,400	68,700	7.7
King County 4/	715,400	672,300	43,100	6.0	717,400	672,900	44,500	6.2	695,400	643,500	51,900	7.5
Snohomish County 4/	201,800	186,900	14,900	7.4	202,300	187,100	15,200	7.5	195,700	178,900	16,800	8.6
Spokane MSA	157,200	142,800	14,400	9.2	157,200	142,900	14,300	9.1	157,800	142,300	15,500	9.8
Tacoma PMSA	221,500	204,500	17,000	7.7	222,200	205,200	17,000	7.7	216,800	197,600	19,200	8.9
Tri-Cities MSA 2/	65,600	58,800	6,800	10.4	65,600	58,300	7,300	11.1	65,000	56,100	8,900	13.7
Benton County 4/	49,300	44,400	4,900	9.9	49,200	44,000	5,200	10.6	48,700	42,400	6,300	12.9
Franklin County 4/	16,300	14,400	1,900	11.7	16,300	14,300	2,000	12.3	16,400	13,800	2,600	15.9
Vancouver PMSA	100,400	91,300	9,100	9.1	101,800	92,200	9,600	9.4	97,200	88,000	9,200	9.5
Yakima MSA	78,300	64,900	13,400	17.1	78,500	63,600	14,900	19.0	78,400	65,100	13,300	17.0
Adams	6,490	5,520	970	14.9	6,360	5,340	1,020	16.0	6,480	5,400	1,080	16.7
Asotin	7,890	7,140	750	9.5	7,850	7,050	800	10.2	7,540	6,600	940	12.5
Clallam	20,220	17,930	2,290	11.3	20,560	18,210	2,350	11.4	20,990	18,060	2,930	14.0
Columbia	1,740	1,310	430	24.7	1,730	1,270	460	26.6	1,770	1,330	440	24.9
Cowlitz	33,780	29,350	4,430	13.1	34,020	29,340	4,680	13.8	34,650	30,070	4,580	13.2
Ferry	2,500	2,070	430	17.2	2,480	2,070	410	16.5	2,590	2,060	530	20.5
Garfield	1,100	960	140	12.7	1,100	940	160	14.5	1,110	990	120	10.8
Grant	22,350	19,320	3,030	13.6	22,390	19,360	3,030	13.5	22,390	18,790	3,600	16.1
Grays Harbor	23,500	20,400	3,100	13.2	23,580	20,170	3,410	14.5	24,920	20,330	4,590	18.4
Island	15,380	14,220	1,160	7.5	15,450	14,310	1,140	7.4	15,920	14,420	1,500	9.4
Jefferson	6,240	5,620	620	9.9	6,440	5,780	660	10.2	6,440	5,600	840	13.0
Kittitas	11,320	9,820	1,500	13.3	11,220	9,700	1,520	13.5	11,430	9,770	1,660	14.5
Klickitat	8,510	6,780	1,730	20.3	8,640	6,820	1,820	21.1	7,930	6,310	1,620	20.4
Lewis	23,440	20,490	2,950	12.6	23,650	20,610	3,040	12.9	23,710	19,630	4,080	17.2
Lincoln	4,210	3,840	370	8.8	4,090	3,760	330	8.1	4,200	3,880	320	7.6
Mason	11,820	10,580	1,240	10.5	11,980	10,660	1,320	11.0	12,020	10,490	1,530	12.7
Okanogan	13,050	10,530	2,520	19.3	12,930	10,420	2,510	19.4	13,900	10,930	2,970	21.4
Pacific	6,720	5,900	820	12.2	6,970	6,010	960	13.8	7,000	5,430	1,570	22.4
Pend Oreille	3,490	2,860	630	18.1	3,550	2,910	640	18.0	3,890	3,280	610	15.7
San Juan	4,060	3,660	400	9.9	4,180	3,760	420	10.0	3,900	3,490	410	10.5
Skagit	28,490	24,520	3,970	13.9	28,470	24,160	4,310	15.1	29,970	24,720	5,250	17.5
Skamania	2,400	1,740	660	27.5	2,430	1,640	790	32.5	2,530	1,630	900	35.6
Stevens	11,040	9,170	1,870	16.9	10,990	9,140	1,850	16.8	11,530	9,490	2,040	17.7
Wahkiakum	1,200	1,000	200	16.7	1,200	970	230	19.2	1,300	1,120	180	13.8
Walla Walla	23,630	20,650	2,980	12.6	23,640	20,500	3,140	13.3	23,130	20,230	2,900	12.5
Wenatchee Labor Area 3/	35,250	30,710	4,540	12.9	35,710	30,830	4,880	13.7	33,760	28,920	4,840	14.3
Chelan County 4/	24,700	20,660	4,040	16.4	24,980	20,740	4,240	17.0	23,100	19,460	3,640	15.8
Douglas County 4/	10,550	10,050	500	4.7	10,730	10,090	640	6.0	10,670	9,470	1,200	11.2
Whitman	17,340	16,670	670	3.9	17,050	16,360	690	4.0	17,540	16,810	730	4.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for Federal program purposes, are available upon request.
2/ The Tri-Cities MSA encompasses Benton and Franklin Counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.
4/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

March 31, 1986
Benchmark 1985

(Not Seasonally Adjusted)

	February 1986 Preliminary 1/				January 1986 Revised 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,093,600	1,914,500	179,100	8.6	2,087,100	1,904,700	182,400	8.7
Bellingham MSA	53,200	48,000	5,200	9.8	53,000	47,800	5,200	9.8
Bremerton MSA	69,500	65,500	4,000	5.8	69,700	65,700	4,000	5.7
Olympia MSA	67,800	62,700	5,100	7.5	67,300	62,200	5,100	7.6
Seattle PMSA	924,800	866,200	58,600	6.3	921,600	862,400	59,200	6.4
King County 4/	721,400	677,800	43,600	6.0	719,000	674,800	44,200	6.1
Snohomish County 4/	203,400	188,400	15,000	7.4	202,700	187,600	15,100	7.4
Spokane MSA	158,600	144,000	14,600	9.2	157,600	143,300	14,300	9.1
Tacoma PMSA	223,400	206,200	17,200	7.7	222,600	205,700	16,900	7.6
Tri-Cities MSA 2/	66,200	59,300	6,900	10.4	65,600	58,400	7,200	11.0
Benton County 4/	49,600	44,700	4,900	9.9	49,300	44,100	5,200	10.5
Franklin County 4/	16,500	14,500	2,000	12.1	16,300	14,300	2,000	12.3
Vancouver PMSA	101,200	92,000	9,200	9.1	102,000	92,500	9,500	9.3
Yakima MSA	78,900	65,400	13,500	17.1	78,600	63,800	14,800	18.8
Adams	6,540	5,560	980	15.0	6,370	5,360	1,010	15.9
Asotin	7,960	7,200	760	9.5	7,870	7,070	800	10.2
Clallam	20,390	18,080	2,310	11.3	20,600	18,260	2,340	11.4
Columbia	1,760	1,320	440	25.0	1,740	1,280	460	26.4
Cowlitz	34,070	29,590	4,480	13.1	34,070	29,420	4,650	13.6
Ferry	2,520	2,090	430	17.1	2,490	2,080	410	16.5
Garfield	1,110	970	140	12.6	1,100	940	160	14.5
Grant	22,540	19,480	3,060	13.6	22,420	19,410	3,010	13.4
Grays Harbor	23,700	20,570	3,130	13.2	23,620	20,230	3,390	14.4
Island	15,510	14,340	1,170	7.5	15,490	14,350	1,140	7.4
Jefferson	6,290	5,670	620	9.9	6,440	5,790	650	10.1
Kittitas	11,420	9,900	1,520	13.3	11,240	9,730	1,510	13.4
Klickitat	8,590	6,840	1,750	20.4	8,650	6,840	1,810	20.9
Lewis	23,630	20,650	2,980	12.6	23,690	20,670	3,020	12.7
Lincoln	4,250	3,870	380	8.9	4,100	3,770	330	8.0
Mason	11,920	10,660	1,260	10.6	12,000	10,690	1,310	10.9
Okanogan	13,160	10,610	2,550	19.4	12,940	10,450	2,490	19.2
Pacific	6,780	5,950	830	12.2	6,980	6,020	960	13.8
Pend Oreille	3,520	2,880	640	18.2	3,560	2,920	640	18.0
San Juan	4,090	3,690	400	9.8	4,180	3,770	410	9.8
Skagit	28,740	24,720	4,020	14.0	28,500	24,220	4,280	15.0
Skamania	2,420	1,750	670	27.7	2,430	1,640	790	32.5
Stevens	11,140	9,250	1,890	17.0	11,010	9,170	1,840	16.7
Wahkiakum	1,210	1,010	200	16.5	1,200	970	230	19.2
Walla Walla	23,840	20,820	3,020	12.7	23,680	20,560	3,120	13.2
Wenatchee Labor Area 3/	35,560	30,970	4,590	12.9	35,750	30,910	4,840	13.5
Chelan County 4/	24,920	20,830	4,090	16.4	25,000	20,790	4,210	16.8
Douglas County 4/	10,640	10,140	500	4.7	10,750	10,120	630	5.9
Whitman	17,490	16,810	680	3.9	17,100	16,410	690	4.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ The Tri-Cities MSA encompasses Benton and Franklin counties.
3/ The Wenatchee Labor Area encompasses Chelan and Douglas counties.
4/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	FEB. 1986 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		FEB 1986	JAN 1986	FEB 1985	FEB 1986	JAN 1986	FEB 1985	FEB 1986	JAN 1986	FEB 1985
TOTAL MANUFACTURING INDUSTRIES *	175,600	$453.55	$461.35	$447.34	38.6	38.9	38.3	$11.75	$11.86	$11.68
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	31,900	451.21	438.48	399.79	39.1	37.8	35.1	11.54	11.60	11.39
Primary metal industries......	9,500	546.82	529.05	537.99	41.9	41.3	39.5	13.05	12.81	13.62
Fabricated metal products.....	7,200	440.38	424.13	453.50	38.8	37.7	38.4	11.35	11.25	11.81
Machinery....................	17,500	384.74	375.57	353.81	39.1	39.0	37.8	9.84	9.63	9.36
Food & kindred products.......	21,400	379.26	363.44	358.06	39.2	36.6	36.8	9.67	9.93	9.73
Chemicals & allied products...	5,100	526.66	611.46	551.76	40.7	43.0	41.8	12.94	14.22	13.20
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	53,500	573.90	571.82	575.29	36.3	36.1	35.1	15.81	15.84	16.39
Wholesale and retail trade.... (excludes eating & drinking places)	260,400	319.34	308.98	312.25	33.9	32.8	34.2	9.42	9.42	9.13

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

6/3/86

IS 8340-3

JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 4 April 1986

HIGHLIGHTS

Employment Springs Ahead

Improved weather with the arrival of spring resulted in sizable employment gains in industries dependent on favorable weather conditions, such as agriculture and construction. Total employment in Washington State rose 21,400 between February and March as a result. Agriculture alone added several thousand workers with the beginning of a new crop year. Major activities included general field preparation, fruit tree and grape pruning, the daffodil harvest, hop yard twining and raspberry pruning and tying. Farm employment will

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	Mar. 1986* (Prel.)	Feb. 1986* (Rev.)	Mar. 1985
Civilian Labor Force	2,093,100	2,076,400	2,063,700
Total Employment	1,919,900	1,898,500	1,879,900
Total Unemployment	173,200	177,900	183,800
State Unemployment Rate	8.3	8.6	8.9
National Civilian Unemployment Rate	7.5	7.8	7.5

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

expand even more in April with the beginning of the asparagus harvest.

Nonagricultural employment rose 13,600 over the month with the largest gains in the nonmanufacturing industries. Construction employment, which was held down in February by snow and cold weather, posted a sizable seasonal gain when the weather improved in March. Employment in the services group advanced as seasonal expansions began at golf courses, landscaping firms, and nurseries. Firms providing income tax preparation services also added staff. Retail trade payrolls moved up, with Easter boosting apparel sales and other seasonal expansions at lawn and garden supply stores, building material outlets, gasoline stations, food stores and restaurants. In the state's manufacturing industries, aerospace continued its expansion, and food product firms reported seasonal gains.

Employment Up Sharply Over The Year

The year-to-year comparison continues to show strong growth in the state economy. Nonagricultural employment was up 58,600 over the year. Retail trade (up 15,300) and services (up 17,000) led the expansion with consumers still in a spending mood. Government civilian payrolls rose 8,200 over the year. Federal employment added 700 despite a drop of 1,300 in civilian defense jobs. Of the 7,500 new state and local public jobs, 6,500 were on the local level with school districts hiring 3,000 of the new employees.

Manufacturing employment was credited with a gain of 5,200 jobs over the year. Aerospace alone added 8,300 employees from March 1985, while nonelectrical machinery employment rose 1,100 on the strength of a special contract. A gain of 500 in chemicals occurred almost entirely in the Hanford nuclear industry. These gains, however, were trimmed by losses in lumber (down 800), primary metals (down 600), other transportation equipment (mainly shipbuilding, down 1,900), and pulp-paper (down 500).

Unemployment Down

Reflecting seasonal job growth, unemployment in Washington State fell from 177,900 and 8.6 percent of the labor force in February to 173,200 and 8.3 percent in March. Compared with March 1985, unemployment dropped 10,600. The jobless rate one year ago was 8.9 percent, or six-tenths of a point above the rate for this past March. On a seasonally adjusted basis, however, the unemployment rate edged up to 7.8 percent in March from 7.6 percent in February, but it remained below December's rate of 8.0 percent. Small increases in the seasonally adjusted rate over the month or over two or three months are not necessarily significant, especially in the winter and early spring when seasonal adjustment factors are large. Nonetheless, the decline in unemployment from its peak in the last recession has shown signs of leveling off in recent months (see chart on page 4).

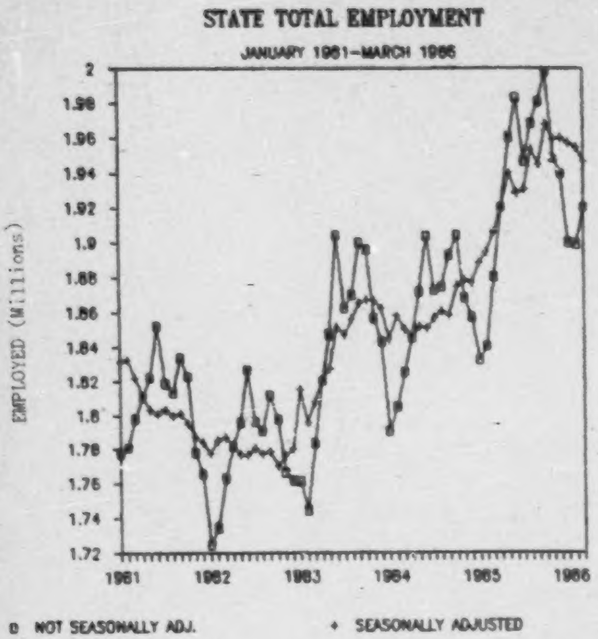
March Drop In Unemployment Mainly In Eastern Washington

The drop in unemployment of 4,700 in March was considerably less than the 21,400 gain in employment because of a seasonal pick up in labor force entrants, especially agricultural workers in Eastern Washington. Nonetheless most of the decline in unemployment occurred east of the Cascades because of expanding opportunities in agriculture. The jobless rate in Eastern Washington fell from 12.2 percent in February to 11.4 percent in March, while the rate in the western part of the state edged down from 7.5 to 7.4 percent.

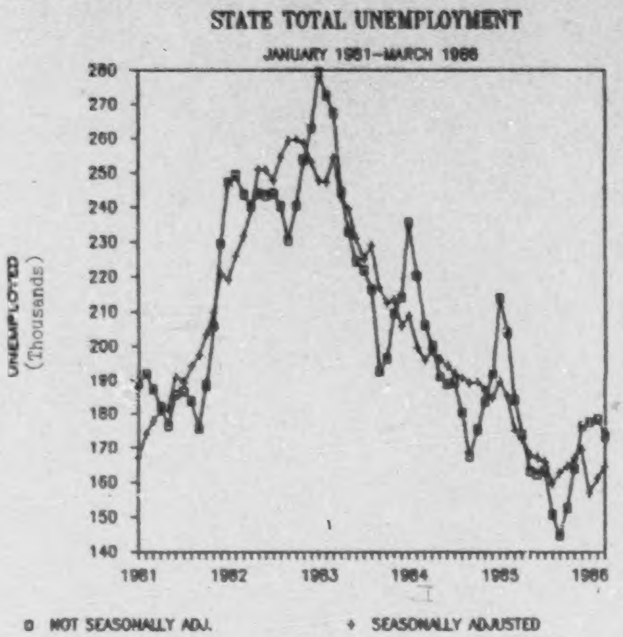
Typical of Eastern Washington areas, the unemployment rate in Yakima County fell from 17.3 to 15.8 percent over the month and the rate in Walla Walla County dropped from 12.6 to 11.8 percent. In Western Washington changes were mixed. The rate in the Seattle Metropolitan Area slipped from 6.4 to 6.3 percent over the month, but the rate in the Tacoma area edged up one-tenth point to 7.8 percent. Vancouver Metropolitan Area's rate dropped from 8.8 to 8.4 percent, but rates in Grays Harbor (12.7 to 13.6) and Pacific counties (12.3 to 14.3) rose because of additional layoffs in their lumber industries.

Seattle Accounts For Most of Year-To-Year Improvement

In contrast to the month-to-month change, the over-the-year decline in unemployment occurred mainly in Western Washington. The jobless rate on the west side fell from 8.1 to 7.4 percent over the year, while the rate in Eastern Washington dipped from 11.7 to 11.4 percent. Most of the improvement in unemployment occurred in the Seattle Metropolitan Area where the rate dropped from 7.1 to 6.3 percent over the year. Seattle accounted for nearly 60 percent of the statewide decline in unemployment over the year. However, this is not surprising because of the strength of its aerospace industry. Nearly 70 percent of the statewide employment growth over the year was also in the Seattle area.


STATE TOTAL EMPLOYMENT

JANUARY 1981–MARCH 1986


STATE TOTAL UNEMPLOYMENT

JANUARY 1981–MARCH 1986

MANUFACTURING INDUSTRIES

Boeing's Orders Up In First Quarter

Manufacturing employment rose 1,000 between February and March with aerospace continuing to lead the expansion with a gain of 800. Developments at The Boeing Company favor further growth. In the first quarter of 1986, the company received orders for 75 jet aircraft worth $5 billion versus orders for 23 aircraft valued at $1 billion in the corresponding period in 1985. The outlook for Boeing's commercial business is bright but prospects for its defense work are clouded by the possibility of a reduction in defense spending.

Boeing, however, continues to compete for a $40 billion Air Force contract to build a new jet fighter. Seven firms are competing for the contract. The Defense Department will choose three or four finalists this summer and make its final selection by 1989. Recently, the Reagan administration announced that the contract might be expanded to build Navy as well as Air Force fighters which could double the value of the contract.

New Orders Continue to Roll In

Commercial orders continued to grow in April. Trans Pacific Enterprises of Australia ordered 12 advanced technology Boeing 737-300 twin jets valued at around $300 million, and Condor Flugdienst of Germany ordered five new-generation Boeing 737-300s at a price of about $125 million.

New Plant Likely For Vancouver

Developments in the state's electronics industry have also been favorable lately with the announcement of a new firm locating in Vancouver and the recall of laid off workers by another firm. Matsushita Electric Industrial Company is expected to select Vancouver as its location to build video tape recorders in the United States. The firm is Japan's largest consumer electronics manufacturer. The Vancouver facility would reportedly employ about 200 workers.

Workers Recalled

Improvement in the U.S. semiconductor market has resulted in the recall of workers laid off last year by SEH America Inc. in Vancouver. The firm was forced to lay off 155 workers last year because of a slowdown in orders. Of those terminated, 100 have already been recalled and the company expects its work force to be back to its pre-layoff total by mid-year. The firm believes that the semiconductor industry will grow about ten percent in 1986 and show even stronger growth in 1987.

Food Processors Expand

Food products payrolls rose 300 in March as the canning of asparagus from California began. Further expansion will occur in April when the processing of local asparagus begins. More significant, however, was an agreement between Hygrade Food Products and its workers.

Hygrade Plant To Remain Open

In exchange for wage concessions, Hygrade will keep its Tacoma plant open and spend $2 million to modernize the facility. Before the firm announced plans to close the plant last year, it employed nearly 400 workers. The renovated plant will employ 225. Hourly wages will be cut from $10.69 to $9.50.

Lumber Orders And Prices Up, Employment Stable

Lumber orders, production and prices have advanced in the first quarter of 1986, but employment has remained relatively stable since January, and in March was still down slightly over the year. According to the Western Wood Products Association's year-to-date figures through the week ending March 29, 1986, new orders for lumber in western Washington and Oregon were up 13 percent and production advanced seven percent from the corresponding period in 1985. The spot price of spruce-pine-fir 2x4s in the week ending April 25 was quoted by the trade publication "Random Lengths" at $188 per thousand board feet, down from $201 one week earlier but up from $150 one year ago. The price of 1/2 inch sheathing plywood was quoted at $211 per thousand square feet, down from $222 in the previous week but up from $190 one year earlier.

Weyerhaeuser Asks For Wage Cuts

The Weyerhaeuser Company is asking its workers to accept a $4 per hour cut in their wages and benefits, which now average about $20 per hour. The company said it needs wage concessions if its Northwest operations are to survive. A company spokesman stated that Weyerhaeuser's independent competitors in the Northwest pay average wages and benefits of $12 to $14 per hour and that labor costs are even lower in the south and in Canada. Labor contracts with Weyerhaeuser's loggers and millworkers expire May 31. Negotiations on the new contract are underway.

NONMANUFACTURING INDUSTRIES

Construction Payrolls Up

Construction employment rose 3,500 in March and was 3,000 above its year-earlier level. Declining mortgage rates have improved the outlook for the building trades this year. Nationally, housing starts were running at a seasonally adjusted annual rate of 1,949,000 units in March, down from 1,997,000 units in February but up from 1,849,000 units in March 1985. With mortgage rates at their lowest level in eight years, housing sales soared in March. Nationally, new home sales reached their highest level in the 23 years the Department of Commerce has estimated such data. Building permits for housing units, an indicator of future activity, also advanced in March despite the slight drop in starts.

Building Outlook Bright

The McGraw-Hill Information Systems Company boosted its projection for total 1986 construction to 3.6 percent above 1985 levels because of the bright outlook for homebuilding. The firm, however, expects some decline in public works projects because of federal deficit-reduction measures. It is also forecasting a fall off in office building projects and in multi-family housing construction, where vacancy rates are rising.

The bright outlook for single-family housing starts, however, was at least temporarily dimmed in late April; the Federal Housing Administration (FHA) stopped taking applications for loans when it reached its credit ceiling. Congress, however, has agreed to extend the FHA credit limit, but it is uncertain when the action will be enacted because of President Reagan's Asian visit.

Easter Boosts Retail Trade

Easter sales and other seasonal factors helped boost employment in retail trade 2,700 between February and March. The outlook for further gains is good, especially for furniture and appliances because of the growth in new housing. Nationally, retail sales fell 0.8 percent in March but only because of a drop in auto sales and declining gasoline revenue. The drop in gasoline sales was not due to less gasoline being used but to sharply lower prices. Eventually the lower gasoline expenditures will be reflected in sales growth in other sectors as consumers find they have more discretionary income.

Tourist Business To Grow in 1986

Lower gasoline prices and Expo '86 in Vancouver, British Columbia will stimulate tourist business in Washington State later this year and create additional jobs in both the trade and service industries. The state tourism office forecasts total tourism employment will rise by at least five percent in 1986. They expect hotels and motels to show a seven percent increase in revenue and travel services an eight percent gain.

Seasonal growth added 3,100 jobs in the services group in March. An even larger gain should occur in April with the beginning of the early tourist season and the opening of the baseball and racing seasons. Carnivals will also provide jobs as they begin to move around the state this spring and summer.

Everett Navy Base Given OK

Government civilian employment rose 1,300 between February and March with about half of the increase in public education. A small seasonal gain is typical at this time of the year because of the resumption of outdoor work, i.e., landscape work, road repair, etc. More significant than the March seasonal gain was a U.S. Senate subcommittee's approval to spend $79 million in home port construction money. Approximately $16.5 million would be spent on building a new Navy Base in Everett. The full Senate-Armed Services Committee is expected to approve the decision in May. No House action is required. Washington State's Senators Gorton and Evans said construction on the Everett facility could begin as early as January 1987. According to the federal Office of Economic Adjustment, the new Everett Navy Base is expected to create nearly 12,000 new jobs in Snohomish County by 1990, including over 7,400 military personnel.

NATIONAL CONTEXT

Most Indicators Positive

National indicators of economic activity continue to be positive on balance but trouble spots remain. The Gross National Product (GNP) for the first quarter of 1986 increased at a 3.2 percent annual rate compared with a gain of only 0.7 percent in the first quarter of 1985. The Index of Leading Economic Indicators rose in March for the tenth straight month. On the other hand, industrial production fell 0.5 percent in March to post its second substantial decline in as many months. In addition, business sales dropped 1.1 percent in February for its biggest decline in eight years.

The Plus And Minus Of Lower Oil Prices

Part of the problem in the industrial sector seems to be related to the sudden drop in oil prices. In the long run lower petroleum prices will benefit the economy, but the negative effects are showing up now. The decline has forced oil companies and suppliers to cut spending which has depressed the economies of oil and gas producing areas. By contrast, most consumers have benefited and will benefit even more in the future. Not only has the price of gasoline dropped, but lower oil prices have helped reduce both interest rates and inflation. Oil is a major cost factor in the economy. Business transportation and delivery costs will be lower as will heating bills. Products made from oil such as plastics and rubber will cost less to produce. Lower business costs will eventually reduce prices on many consumer goods and keep prices of other consumer goods from rising or rising as fast as they would have if oil prices had not dropped.

Public and Business Leaders Optimistic

Despite the slowdown in industrial production, the public and business leaders are increasingly optimistic on the future course of the economy. According to a Gallup public opinion poll taken in March, 83 percent of those responding believed that the current recovery will last at least until the end of the year, with 58 percent predicting the recovery will extend into 1988 or later. The survey also found that 46 percent believed that they were financially better off this year than last and 66 percent expect to be better off next year. Meanwhile, the business confidence index of the Conference Board rose to 61 in the first quarter of this year, up from 55 in the fourth quarter 1985 and 51 in the third quarter 1985. The Conference Board, a private business research organization, bases its index on responses from 1,000 executives representing a cross-section of business. In the latest survey, business leaders expecting improved conditions in their industries outnumbered those expecting declines by more than three to one.

Leading Indicator Index Up

The Index of Leading Economic Indicators, the government's main economic forecasting barometer, rose 0.5 percent in March suggesting the economy will continue to grow in the months ahead. Stock market prices and a rise in the money supply provided the largest contribution to the increase in the index in March. Other advancing indicators in the index were building permits, the number of companies receiving slower deliveries from suppliers, the average workweek and business and consumer borrowing. Indicators showing declines in March were manufacturers' orders, contracts and orders for plant and equipment, unemployment insurance claims, sensitive material prices, and net business formations.

DISTRESSED AREAS

Several pieces of legislation were enacted in 1985 and 1986 to aid economically distressed areas. Economic distress is defined in recent state legislation as an unemployment rate of 20 percent above the statewide average for the previous three years. Although alternate definitions exist, the baseline for assistance under existing legislation is the unemployment rate. This rate is recalculated yearly. The attached table reflects the most recent data developed by the Employment Security Department. As a result of the recalculation, Adams County now meets the distressed criteria while Mason County will loose distressed status.

Based on the most recent Employment Security Department calculations, a county needs an average annual unemployment rate of 11.5 percent or higher for the period January 1983 through December 1985 in order to qualify as a distressed area.

Distressed areas qualify for a variety of benefits, such as loans and grants to attract or retain businesses, financing infrastructure improvements, matching funds to stimulate private investments, and sales and use tax deferrals.

New Legislation for Job Creation

Two new pieces of legislation were passed in the last session to boost economic development and job creation. Employers will now be eligible for special benefits for hiring unemployment insurance and public assistance recipients, and the tax deferral for new manufacturing businesses has been extended for two years.

In order to promote tourism, counties and cities which excercise the option to levy a special excise tax on tourist-oriented businesses, such as hotels and motels, must now earmark those funds exclusively for the promotion of tourism. Promotion may be capital investments such as performing arts centers, stadiums, convention and visual arts centers or marketing activities such as advertising. Although the hotel/motel tax option is available to all counties and cities, the new legislation authorizes the use of the tax to develop strategies to expand tourism in distressed areas.

Washington State
Employment Security Department
Labor Market and Economic Analysis

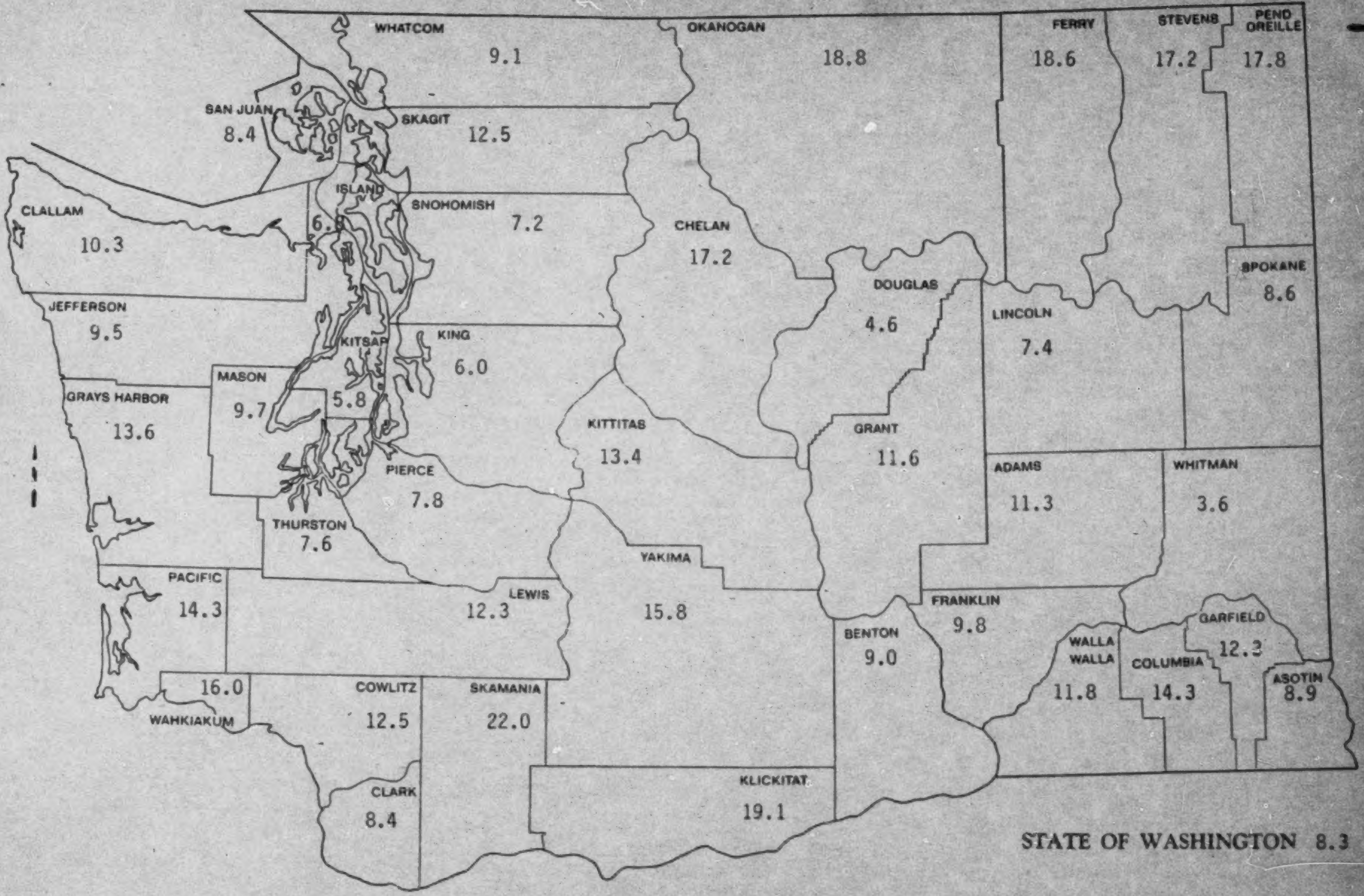
AREA	Three Year Average Unemployment Rate (Jan. 83 - Dec. 85)	Distressed Areas (Unemployment Rate $\geq$ 11.5)
WASHINGTON STATE	9.6	
Adams	12.4	Adams
Asotin	10.2	
Benton	12.4	Benton
Chelan	14.0	Chelan
Clallam	12.8	Clallam
Clark	9.8	
Columbia	16.9	Columbia
Cowlitz	12.6	Cowlitz
Douglas	10.1	
Ferry	16.2	Ferry
Franklin	13.1	Franklin
Garfield	8.1	
Grant	13.0	Grant
Grays Harbor	14.3	Grays Harbor
Island	8.5	
Jefferson	9.5	
King	7.9	
Kitsap	6.8	
Kittitas	12.1	Kittitas
Klickitat	15.2	Klickitat
Lewis	13.8	Lewis
Lincoln	6.6	
Mason	10.4	
Okanogan	16.9	Okanogan
Pacific	15.2	Pacific
Pend Oreille	15.7	Pend Oreille
Pierce	9.3	
San Juan	6.7	
Skagit	14.3	Skagit
Skamania	21.8	Skamania
Snohomish	8.9	
Spokane	8.7	
Stevens	15.0	Stevens
Thurston	9.3	
Wahkiakum	13.3	Wahkiakum
Walla Walla	9.6	
Whatcom	10.6	
Whitman	4.0	
Yakima	13.9	Yakima

1/ Data for 1983 through 1985 were revised in April 1986 incorporating 1980 census information, methodological changes, and updated information on exempt corporate officers. 1983 revisions were prepared using funds other than those provided by BLS contracts.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Mar. 1986	Feb. 1986	Mar. 1985	Mar. 1986	Feb. 1986
U.S. City Average	326.0	327.5	318.8	+2.3	+3.2
Seattle-Everett	325.0	N/A	321.4	+1.1	N/A


WHATCOM
9.1
OKANOGAN
18.8
FERRY
18.6
STEVENS
17.2
PEND OREILLE
17.8
SAN JUAN
8.4
SKAGIT
12.5
ISLAND
6.8
SNOHOMISH
7.2
CLALLAM
10.3
CHELAN
17.2
DOUGLAS
4.6
SPOKANE
8.6
JEFFERSON
9.5
KITSAP
5.8
KING
6.0
LINCOLN
7.4
MASON
9.7
GRAYS HARBOR
13.6
KITTITAS
13.4
GRANT
11.6
PIERCE
7.8
ADAMS
11.3
WHITMAN
3.6
THURSTON
7.6
YAKIMA
15.8
PACIFIC
14.3
LEWIS
12.3
FRANKLIN
9.8
GARFIELD
12.3
BENTON
9.0
WALLA WALLA
11.8
COLUMBIA
14.3
ASOTIN
8.9
WAHKIAKUM
16.0
COWLITZ
12.5
SKAMANIA
22.0
KLICKITAT
19.1
CLARK
8.4

STATE OF WASHINGTON 8.3

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/
(In Thousands)

NOT SEASONALLY ADJUSTED

					Numerical Change	
	Mar. 1986 (Prel.)	Feb. 1986 (Rev.)	Mar. 1985	Feb. 1985	Feb. 86 to Mar. 86	Mar. 85 to Mar. 86
TOTAL NONAG. WAGE AND SALARY	1,729.4	1,715.8	1,670.8	1,649.4	+13.6	+58.6
TOTAL MANUFACTURING	294.7	293.7	289.5	285.9	+1.0	+5.2
Durable Goods	207.2	206.8	201.9	200.1	+0.4	+5.3
Lumber & Wood Products	35.9	35.8	36.7	36.4	+0.1	-0.8
Furniture & Fixtures	3.7	3.7	3.7	3.6	0.0	0.0
Stone, Clay & Glass Products	6.1	6.1	6.2	5.9	0.0	-0.1
Primary Metals Industries	12.4	12.3	13.0	13.0	+0.1	-0.6
Aluminum Prod. & Processing	8.3	8.3	8.7	8.6	0.0	-0.4
Fabricated Metal Products	9.4	9.5	9.3	9.2	-0.1	+0.1
Machinery	30.4	30.6	29.7	29.7	-0.2	+0.7
Machinery (exc. electrical)	18.2	18.4	17.1	17.2	-0.2	+1.1
Electrical & Electronic Equip.	12.2	12.2	12.6	12.5	0.0	-0.4
Transportation Equipment	94.5	93.9	88.1	87.1	+0.6	+6.4
Aerospace	82.1	81.3	73.8	73.3	+0.8	+8.3
Other Transportation Equip.	12.4	12.6	14.3	13.8	-0.2	-1.9
Instruments & Related Prod.	10.4	10.5	10.7	10.7	-0.1	-0.3
Misc. Manufacturing Indus.	4.4	4.4	4.5	4.5	0.0	-0.1
Nondurable Goods	87.5	86.9	87.6	85.8	+0.6	-0.1
Food & Kindred Products	28.8	28.5	29.0	27.8	+0.3	-0.2
Canned & Preserved Foods	9.8	9.5	9.6	8.8	+0.3	+0.2
Apparel & Other Text. Products	6.1	6.1	6.2	6.2	0.0	-0.1
Paper & Allied Products	16.0	16.0	16.5	16.4	0.0	-0.5
Printing & Publishing	17.5	17.3	17.4	17.2	+0.2	+0.1
Chemicals & Allied Products	11.5	11.5	11.0	10.8	0.0	+0.5
Other Nondurable Goods 2/	7.6	7.5	7.5	7.4	+0.1	+0.1
MINING & QUARRYING	2.9	2.8	2.5	2.4	+0.1	+0.4
CONSTRUCTION	76.8	73.3	73.8	68.6	+3.5	+3.0
TRANSP. & PUBLIC UTILITIES	94.1	93.6	90.2 3/	89.3	+0.5	+3.9
WHOLESALE & RETAIL TRADE	423.0	419.5	406.5	401.8	+3.5	+16.5
Wholesale Trade	104.9	104.1	103.7	102.3	+0.8	+1.2
Retail Trade	318.1	315.4	302.8	299.5	+2.7	+15.3
FINANCE, INS. & REAL ESTATE	101.7	101.1	97.3	96.0	+0.6	+4.4
SERVICES	382.6	379.5	365.6	360.8	+3.1	+17.0
Health Services	119.0	118.3	115.2	114.5	+0.7	+3.8
GOVERNMENT	353.6	352.3	345.4	344.0	+1.3	+8.2
Federal	68.9	68.7	68.2	68.5	+0.2	+0.7
State & Local	284.7	283.6	277.2	275.5	+1.1	+7.5
Education	155.2	154.5	152.5	152.2	+0.7	+2.7
Workers in Labor Management Disputes	0.0	0.0	0.7	0.0	0.0	-0.7

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastics products, petroleum and refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

Date: May 1, 1986
Benchmark 1985

	March 1986 Preliminary 1/				February 1986 Revised 1/				March 1985 Revised			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,093,100	1,919,900	173,200	8.3	2,076,400	1,898,500	177,900	8.6	2,063,700	1,879,900	183,800	8.9
Bellingham MSA	52,600	47,800	4,800	9.1	52,600	47,400	5,200	9.9	52,400	47,100	5,300	10.1
Bremerton MSA	69,400	65,400	4,000	5.8	68,900	65,000	3,900	5.7	68,000	63,800	4,200	6.2
Olympia MSA	66,900	61,800	5,100	7.6	66,100	61,000	5,100	7.7	65,600	60,200	5,400	8.2
Seattle PMSA	921,600	863,800	57,800	6.3	918,500	860,100	58,400	6.4	900,400	836,300	64,100	7.1
King County 2/	719,200	675,900	43,300	6.0	716,400	673,000	43,400	6.1	703,700	654,400	49,300	7.0
Snohomish County 2/	202,400	187,900	14,500	7.2	202,100	187,100	15,000	7.4	196,700	181,900	14,800	7.5
Spokane MSA	157,000	143,500	13,500	8.6	157,000	142,700	14,300	9.1	159,500	145,300	14,200	8.9
Tacoma PMSA	222,100	204,800	17,300	7.8	220,800	203,800	17,000	7.7	217,000	199,400	17,600	8.1
Tri-Cities MSA	66,400	60,200	6,200	9.3	65,700	58,800	6,900	10.5	66,100	58,700	7,400	11.2
Benton County 2/	50,000	45,500	4,500	9.0	49,300	44,400	4,900	9.9	49,700	44,300	5,400	10.9
Franklin County 2/	16,400	14,800	1,600	9.8	16,400	14,400	2,000	12.2	16,400	14,400	2,000	12.2
Vancouver PMSA	100,600	92,100	8,500	8.4	100,100	91,300	8,800	8.8	98,200	89,600	8,600	8.8
Yakima MSA	82,300	69,300	13,000	15.8	78,500	64,900	13,600	17.3	80,500	69,000	11,500	14.3
Adams	6,550	5,810	740	11.3	6,520	5,520	1,000	15.3	6,500	5,760	740	11.4
Asotin	7,970	7,260	710	8.9	7,890	7,140	750	9.5	7,590	6,770	820	10.8
Clallam	20,280	18,190	2,090	10.3	20,230	17,950	2,280	11.3	20,900	18,450	2,450	11.7
Columbia	2,100	1,800	300	14.3	1,770	1,310	460	26.0	1,940	1,560	380	19.6
Cowlitz	33,860	29,630	4,230	12.5	33,690	29,290	4,400	13.1	34,510	30,350	4,160	12.1
Ferry	2,640	2,150	490	18.6	2,500	2,070	430	17.2	2,590	2,040	550	21.2
Garfield	1,140	1,000	140	12.3	1,120	960	160	14.3	1,130	1,030	100	8.8
Grant	22,770	20,120	2,650	11.6	22,380	19,320	3,060	13.7	22,830	19,750	3,080	13.5
Grays Harbor	25,020	21,610	3,410	13.6	24,670	21,540	3,130	12.7	25,750	21,990	3,730	14.5
Island	15,540	14,490	1,050	6.8	15,360	14,230	1,130	7.4	16,280	14,970	1,310	8.0
Jefferson	6,420	5,810	610	9.5	6,250	5,630	620	9.9	6,470	5,730	740	11.4
Kittitas	11,610	10,050	1,560	13.4	11,340	9,830	1,510	13.3	11,430	9,880	1,550	13.6
Klickitat	8,750	7,080	1,670	19.1	8,490	6,720	1,770	20.8	7,870	6,420	1,450	18.4
Lewis	23,680	20,770	2,910	12.3	23,350	20,310	3,040	13.0	23,430	20,050	3,380	14.4
Lincoln	4,310	3,990	320	7.4	4,200	3,840	360	8.6	4,360	4,050	310	7.1
Mason	11,870	10,720	1,150	9.7	11,760	10,520	1,240	10.5	11,920	10,720	1,200	10.1
Okanogan	13,220	10,730	2,490	18.8	13,070	10,490	2,580	19.7	13,920	11,100	2,820	20.3
Pacific	6,850	5,870	980	14.3	6,660	5,840	820	12.3	6,620	5,440	1,180	17.8
Pend Oreille	3,600	2,960	640	17.8	3,490	2,860	630	18.1	3,930	3,250	680	17.3
San Juan	4,150	3,800	350	8.4	4,050	3,650	400	9.9	4,040	3,700	340	8.4
Skagit	29,520	25,820	3,700	12.5	28,580	24,600	3,980	13.9	30,990	26,690	4,300	13.9
Skamania	2,360	1,840	520	22.0	2,420	1,740	680	28.1	2,310	1,670	640	27.7
Stevens	11,320	9,370	1,950	17.2	11,050	9,180	1,870	16.9	11,510	9,510	2,000	17.4
Wahkiakum	1,190	1,000	190	16.0	1,190	1,000	190	16.0	1,310	1,150	160	12.2
Walla Walla	24,000	21,170	2,830	11.8	23,650	20,660	2,990	12.6	23,160	20,770	2,390	10.3
Wenatchee Labor Area	35,780	30,970	4,810	13.4	35,270	30,680	4,590	13.0	34,910	30,470	4,440	12.7
Chelan County 2/	25,150	20,830	4,320	17.2	24,730	20,640	4,090	16.5	23,880	20,500	3,380	14.2
Douglas County 2/	10,630	10,140	490	4.6	10,540	10,040	500	4.7	11,030	9,970	1,060	9.6
Whitman	17,790	17,150	640	3.6	17,360	16,680	680	3.9	18,080	17,320	760	4.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for federal program purposes, are available upon request.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

May 1, 1986
Benchmark 1985

(Not Seasonally Adjusted)

	MARCH 1986 PRELIMINARY 1/				FEBRUARY 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,113,200	1,940,500	172,700	8.2	2,094,000	1,914,100	179,900	8.6
Bellingham MSA	53,100	48,300	4,800	9.0	53,000	47,800	5,200	9.8
Bremerton MSA	70,100	66,100	4,000	5.7	69,500	65,500	4,000	5.8
Olympia MSA	67,500	62,500	5,000	7.4	66,600	61,500	5,100	7.7
Seattle PMSA	930,700	873,100	57,600	6.2	926,100	867,100	59,000	6.4
King County 2/	726,300	683,100	43,200	5.9	722,400	678,500	43,900	6.1
Snohomish County 2/	204,300	189,900	14,400	7.0	203,700	188,600	15,100	7.4
Spokane MSA	158,400	145,000	13,400	8.5	158,300	143,800	14,500	9.2
Tacoma PMSA	224,300	207,000	17,300	7.7	222,700	205,500	17,200	7.7
Tri-Cities MSA	67,000	60,900	6,100	9.1	66,200	59,300	6,900	10.4
Benton County 2/	50,500	46,000	4,500	8.9	49,700	44,800	4,900	9.9
Franklin County 2/	16,500	14,900	1,600	9.7	16,500	14,500	2,000	12.1
Vancouver PMSA	101,500	93,100	8,400	8.3	100,900	92,000	8,900	8.8
Yakima MSA	83,000	70,000	13,000	15.7	79,200	65,500	13,700	17.3
Adams	6,610	5,870	740	11.2	6,580	5,570	1,010	15.3
Asotin	8,050	7,340	710	8.8	7,950	7,200	750	9.4
Clallam	20,460	18,380	2,080	10.2	20,390	18,090	2,300	11.3
Columbia	2,110	1,820	290	13.7	1,780	1,320	460	25.8
Cowlitz	34,170	29,950	4,220	12.4	33,980	29,530	4,450	13.1
Ferry	2,660	2,170	490	18.4	2,530	2,090	440	17.4
Garfield	1,150	1,010	140	12.2	1,130	970	160	14.2
Grant	22,980	20,340	2,640	11.5	22,580	19,480	3,100	13.7
Grays Harbor	25,240	21,840	3,400	13.5	24,870	21,710	3,160	12.7
Island	15,700	14,650	1,050	6.7	15,480	14,340	1,140	7.4
Jefferson	6,480	5,870	610	9.4	6,290	5,670	620	9.9
Kittitas	11,720	10,160	1,560	13.3	11,430	9,910	1,520	13.3
Klickitat	8,830	7,160	1,670	18.9	8,570	6,780	1,790	20.9
Lewis	23,900	20,990	2,910	12.2	23,560	20,480	3,080	13.1
Lincoln	4,360	4,040	320	7.3	4,240	3,870	370	8.7
Mason	11,980	10,830	1,150	9.6	11,870	10,610	1,260	10.6
Okanogan	13,330	10,850	2,480	18.6	13,180	10,570	2,610	19.8
Pacific	6,910	5,930	980	14.2	6,710	5,880	830	12.4
Pend Oreille	3,630	2,990	640	17.6	3,510	2,880	630	17.9
San Juan	4,190	3,840	350	8.4	4,080	3,680	400	9.8
Skagit	29,790	26,100	3,690	12.4	28,820	24,800	4,020	13.9
Skamania	2,370	1,860	510	21.5	2,440	1,750	690	28.3
Stevens	11,420	9,470	1,950	17.1	11,150	9,260	1,890	17.0
Wahkiakum	1,190	1,010	180	15.1	1,210	1,010	200	16.5
Walla Walla	24,220	21,400	2,820	11.6	23,850	20,830	3,020	12.7
Wenatchee Labor Area	36,110	31,310	4,800	13.3	35,570	30,930	4,640	13.0
Chelan County 2/	25,370	21,060	4,310	17.0	24,950	20,810	4,140	16.6
Douglas County 2/	10,740	10,250	490	4.6	10,640	10,130	510	4.8
Whitman	17,980	17,340	640	3.6	17,510	16,820	690	3.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	MAR. 1986 Prod. or Nonsup. Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		MAR 1986	FEB 1986	MAR 1985	MAR 1986	FEB 1986	MAR 1985	MAR 1986	FEB 1986	MAR 1985
TOTAL MANUFACTURING INDUSTRIES *	177,300	$474.78	$466.10	$455.91	40.1	39.4	39.0	$11.84	$11.83	$11.69
SELECTED MANUFACTURING INDUSTRIES										
Lumber & wood products........	31,900	462.00	451.92	437.01	40.0	39.4	38.2	11.55	11.47	11.44
Primary metal industries......	9,600	552.40	543.77	545.08	42.2	41.7	39.7	13.09	13.04	13.73
Fabricated metal products.....	7,200	456.55	450.74	450.82	39.7	39.4	38.4	11.50	11.44	11.74
Machinery.....................	17,400	390.51	382.91	365.66	40.3	38.6	38.9	9.69	9.92	9.40
Food & kindred products.......	21,700	355.15	360.88	356.59	36.5	36.6	37.3	9.73	9.86	9.56
Chemicals & allied products...	5,100	563.88	573.76	572.05	41.8	41.1	42.5	13.49	13.96	13.46
SELECTED NONMANUFACTURING INDUSTRIES										
Construction..................	56,600	585.07	572.68	609.39	37.1	36.2	37.0	15.77	15.82	16.47
Wholesale and retail trade.... (excludes eating & drinking places)	262,500	316.63	320.02	314.34	33.4	33.9	33.8	9.48	9.44	9.30

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official U. S. Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be be used at this time for the negotiation of contracts whose monetary provisions may depend upon official U.S. Bureau of Labor Statistics hourly earnings data.

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JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 5 May 1986

HIGHLIGHTS

Seasonal Jobs Increase

Growth in seasonal jobs boosted total employment in Washington State 31,800 between March and April. Agriculture accounted for much of the gain because of the asparagus harvest which employed approximately 6,000 workers in Eastern Washington. Nonagricultural employment, however, added 14,600 workers over the month including 3,100 jobs in manufacturing.

The asparagus harvest also contributed to the gain in manufacturing where the food industry expanded to

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	Apr. 1986* (Prel.)	Mar. 1986* (Rev.)	Apr. 1985
Civilian Labor Force	2,116,900	2,094,000	2,093,500
Total Employment	1,951,900	1,920,100	1,919,900
Total Unemployment	165,000	173,900	173,600
State Unemployment Rate	7.8	8.3	8.3
National Civilian Unemployment Rate	7.0	7.5	7.1

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

freeze and can this year's crop. Employment in lumber and wood products rose in April with nearly half of the growth in logging which benefited from improved weather. Meanwhile, aerospace continued its long-term expansion. The only sizable loss in manufacturing occurred in nonelectrical machinery where employment fell 400 as work on a large contract was nearing its completion stage. In the nonmanufacturing industries, employment in retail trade and services was helped by the beginning of the early tourist season. Employment gains were credited to restaurants, gasoline stations, and amusement establishments. Job growth also occurred in agricultural services and at building material stores as usual in April. Seasonal factors pushed up construction payrolls but lower interest rates also contributed in the home building sector.

52,100 New Nonfarm Jobs Over The Year

Manufacturing Employment Down in Nation But Up In State

Washington State continues to maintain strong employment growth over the year with the number of nonfarm jobs up 52,100 over the year in April. Manufacturing employment rose 7,400 year to year despite weakness in several industries because of foreign competition. Nationally, manufacturing employment declined over the year but in Washington State growth in aerospace has more than offset losses elsewhere in the basic industries. Employment in aerospace,the state's largest manufacturing industry, rose 8,500 between April 1985 and 1986 on the strength of growing orders from airlines and strong defense business. Food products contributed to the increase in manufacturing jobs with an over-the-year gain of 1,200, but the gain here mainly reflected the volatile nature of seasonal employment in the industry. There has been little, if any, real growth in the food industry over the year. Year-to-year employment increases for the industry in subsequent months will undoubtedly be smaller.

Shipbuilding Flounders

The major loss in manufacturing over the twelve-month period occurred in other transportation equipment where employment fell 2,100 because of cutbacks in the shipbuilding industry. Shipyards in the state have had difficulty in successfully competing for defense contracts with firms on the east coast and the gulf coast because of higher wage rates in the Northwest. Stiff competition combined with the worldwide downturn in the demand for commercial vessels has sharply reduced activity in the state's shipyards in the past few years.

Retail Trade Adds 15,300 Jobs

In the nonmanufacturing industries, retail trade led the year-to-year expansion with an increase of 15,300 jobs. Food stores and restaurants each accounted for about one-third of the new retail jobs. The spreading practice at grocery stores of remaining open longer, including 24 hours, has been one reason for the growth in employment in the industry. Services posted the next largest increase with a gain of 13,500 jobs. Business services and medical services accounted for over half of the growth.

Personnel supply agencies, which provide workers to other firms, accounted for much of the gain in business services. Smaller year-to-year expansions were credited to other nonmanufacturing industries including construction (up 3,300), finance-insurance-real estate (up 4,000), and government (up 5,100).

Unemployment Declining

Expanding employment opportunities in the state reduced unemployment 8,900 between March and April and 8,600 over the year. The unemployment rate fell from 8.3 percent in March to 7.8 percent in April. The year-to-year drop in the unemployment rate was also five-tenths of a point. The reduction in unemployment over the month was slightly greater than normal with the seasonally adjusted rate edging down from 7.8 to 7.7 percent. Nonetheless, there has been little improvement in the seasonally adjusted rate since fall. The adjusted rate was 7.7 percent in both September and October 1985.

Employment Growth Slows But May Pick Up Soon

Growth in total employment has slowed in recent months. On a seasonally adjusted basis, employment actually declined from December through March before posting a slight gain in April (see chart on page five). Resumption in employment growth, however, is likely in the months ahead as lower interest rates boost general business activity and the impact of a lower-valued dollar stimulates industries sensitive to international competition. In addition, tourist-related business should be especially buoyant this summer because of lower gasoline prices, Expo '86 in Vancouver, B.C., and the reluctance of many people to vacation in Europe this year.

Labor Force Growth To Moderate Decline In Unemployment

Even if employment growth picks up as expected, however, further reductions in unemployment will likely be more modest this year. If the past is any guide, more individuals will enter the labor force as the jobless rate approaches seven percent to limit further declines.

To illustrate the impact that an increase in labor force entrants can have on unemployment, it is only necessary to remember what occurred in 1978 and 1979. In 1978, total employment in the state rose a record 140,000, unemployment fell 24,000 and the jobless rate dropped from 8.8 to 6.9 percent. In 1979, however, employment rose 122,000, but unemployment rose 7,000 as the number of job seekers exceeded new job openings. The unemployment rate edged down to 6.8 percent only because of a larger labor force.

Growth in the labor force in 1978 and 1979 was swelled by substantial in-migration from other states.

Comparable in-migration will not develop in 1986, but in-migration is occurring. Most of the new job seekers this year are likely to be individuals who dropped out of the labor force in the last recession but who would and will accept jobs when they become available.

Average Annual Unemployment Rate Expected To Average 7.5 - 7.6 Percent In 1986

Between 1984 and 1985, average annual total employment rose 74,000 and the unemployment rate fell from 9.5 to 8.1 percent. With more moderate employment growth this year and an increase of new entrants to the labor force, a drop in the average annual unemployment rate to the 7.5 - 7.6 percent area appears likely. While only about a half point below the 1985 average, it would be the lowest rate of this decade.

April Drop In Unemployment Mainly In Agricultural And Logging Areas

As was the case in March, the major decline in unemployment was in Eastern Washington because of the seasonal expansion in agriculture and related food processing activity. The jobless rate east of the Cascades fell from 11.4 to 10.1 percent between March and April. In Western Washington, by contrast, the rate slipped from 7.4 to 7.1 percent over the 30-day period. Unemployment in counties largely dependent on the lumber industry on both sides of the state also saw unemployment dip substantially over the month, from 13.4 to 12.3 percent. Lumber employment in most of these counties rose seasonally in April. Pacific County, however, was an exception. The jobless rate there increased from 14.3 to 16.1 percent between March and April because of cutbacks in both its lumber and seafood processing industries.

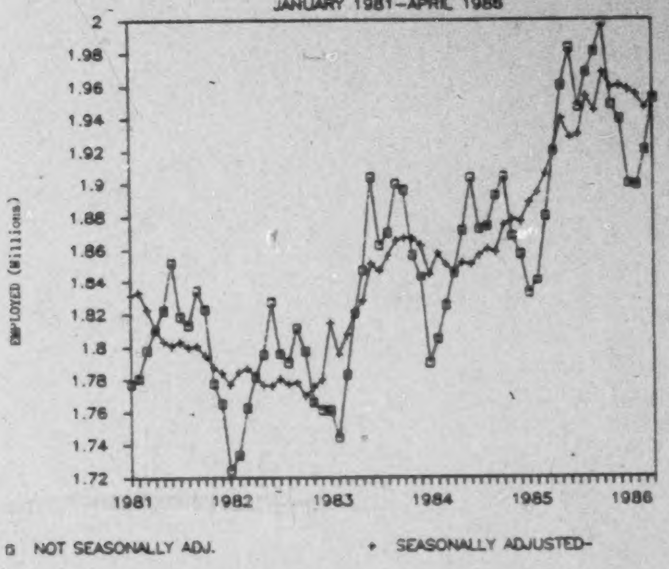
Typical of Eastern Washington counties where asparagus was being harvested and processed were Yakima County where the unemployment rate fell from 15.9 to 13.5 percent, Columbia County where the rate dropped from 14.6 to 10.2 percent and Walla Walla County which saw its rate move down from 11.8 to 8.2 percent. Substantial as these declines were, they would have been even greater except for the fact that many of the asparagus harvest and processing jobs were filled by migrant workers. To the extent the jobs were filled by new arrivals to the area, they did not reduce unemployment. However, migrants did cause the labor force to increase which lowered the unemployment rate since the rate is calculated as a percentage of the labor force.

In spite of the March-April decline, the unemployment rate was unchanged over the year in Eastern Washington at 10.1 percent, while it fell from 7.7 to 7.1 percent on the west side of the state. A major factor in the lack of improvement over the year east of the Cascades was higher unemployment in Yakima County and an unchanged rate for Spokane County. The jobless rate in Yakima County was up from 11.7 to 13.5 percent over the year because of a below normal apple harvest last year.

This reduced employment at apple warehouses and in related transportation activities. In Spokane County the rate was unchanged over the year at 7.8 percent because of weakness in the aluminum industry, that area's major source of manufacturing jobs.

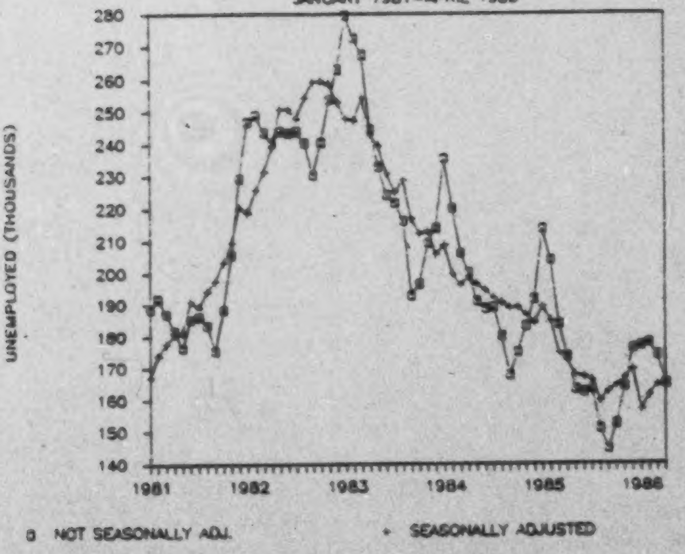
STATE TOTAL EMPLOYMENT

JANUARY 1981–APRIL 1986



STATE TOTAL UNEMPLOYMENT

JANUARY 1981–APRIL 1986



MANUFACTURING INDUSTRIES

More Jetliners Ordered From Boeing

Food and kindred products (up 1,700) and lumber-wood products (up 1,000) posted the largest gains in manufacturing between March and April but both expansions were seasonal. Aerospace, on the other hand, added 700 year-around workers in April as orders for commercial jets continued to mount. Lufthansa German Airlines announced in late May that it would purchase six Boeing 747-400 jetliners and take options on nine more; the order is valued at $2.1 billion. This was Boeing's second largest order in 1986. The jets are scheduled for delivery beginning in April 1989. Boeing also received an order from China for four 747-200 and four 767-200 jetliners valued at $620 million. Delivery of these planes will begin in 1987.

A major component of Boeing 747 jumbo jets, however, will be manufactured in Canada. The component is a one-ton wing-to-body fairing which improves the flow of air over the part of the jet where the wing joins the fuselage. The decision to build the fairings in Canada will give Boeing credit against the $155 million (Canadian) purchase of de Havilland Aircraft of Canada. The cheaper Canadian dollar was also a factor in the decision according to a Boeing spokesman.

Boeing Competes For Space Contracts

Although the direction and timing of the nation's space program has been clouded by recent failures, Boeing is involved in space programs in a big way. Boeing is competing for a contract to develop an "aerospace plane" capable of launching space vehicles from the upper atmosphere. This would significantly reduce the cost of putting space vehicles into orbit. A $45 million initial contract on an aerospace plane could be made within six months provided President Reagan approves. Boeing also hopes to build an orbiting space station, which is expected to be operational by 1994.

Lumber Demand Up

Significant developments in the state's lumber industry include increased demand resulting from an expansion in the homebuilding industry, the imposition of a tariff on Canadian shakes and shingles and labor contract negotiations. Stimulated by declining interest rates, national housing starts rose to a seasonally adjusted annual rate of over two million units in April. Housing starts in 1985 totaled 1.7 million units, and in the 1981-1982 recession, housing starts were down to 1.1 million units annually.

According to data collected by the Western Wood Products Association, new orders for softwood lumber from mills in western Washington and Oregon in the first five months of this year were up 11 percent from the comparable period in 1985. Further gains are likely as we move into the prime building season.

Competition from Canada will remain a problem in the industry, however.

Tariff on Canadian Shakes and Shingles

In response to growing competition with Canada in the red cedar shake and shingle industry, the federal government imposed a five-year declining tariff on Canadian shakes and shingles, beginning with a 35 percent duty in the first year. U.S. cedar shake and shingles manufacturers have seen Canadian producers take over half of the U.S. market in recent years. The Canadian Government is now considering how to respond to the tariff. Retaliation, however, could result in U.S. curbs on other Canadian products, such as lumber. In fact, this is now under consideration. U.S. lumber producers recently filed a petition with the U.S. International Trade Commission seeking a 27 percent duty on imports of Canadian lumber. U.S. lumber manufacturers are complaining that Canadian lumber producers receive unfair government subsidies. The share of the U.S. lumber market going to Canadian firms has increased from about 19 percent in 1975 to more than 33 percent today.

Weyerhaeuser Seeks Lower Labor Costs

Labor contracts for 8,000 Weyerhaeuser loggers and sawmill workers expired June 1 but talks continued in an attempt to reach an agreement. Weyerhaeuser is proposing to drop high base-pay rates and to implement a profit-sharing plan. According to a company spokesman this could result in pay reductions of as little as $1 an hour. The plan has worked well in some of Weyerhaeuser's Northwest plants and could result in the reopening of three mills in Longview where 385 workers were laid off last December. According to the spokesman, 80 percent of Weyerhaeuser's wood product plants lost money in the last five years. Many of the firm's competitors are nonunion and have substantially lower labor costs.

Strike at ALCOA

A labor dispute involving nearly 1,300 workers at ALCOA plants in Wenatchee and Vancouver, Washington began on June 1, 1986. The Wenatchee aluminum smelting operations were continuing at a curtailed level using salaried employees, but the Vancouver smelter was being shut down. Because of the cost of re-starting pot lines and the high cost of the Vancouver operation, the closure of the Vancouver smelting operation is probably permanent, according to a company spokesman. The Vancouver smelter employed about 570 workers.

New Talks At Tacoma Boat

Tacoma Boatbuilding and its largest union began negotiations on a new contract which is expected to give the bankrupt shipyard temporary financial relief. The reopening of negotiations with the Boilermakers union results from the union's decision to discontinue joint bargaining with other unions at Tacoma Boat and other West Coast shipyards. A previous agreement reached by several unions and Tacoma Boat, which was designed to help the financially troubled shipyard, was rejected by a vote of the international presidents of the unions involved.

NONMANUFACTURING INDUSTRIES

Employment in retail trade rose 4,600 between March and April largely because of the beginning of the early tourist season. Approximately 2,900 of the new jobs were at eating and drinking places, while gasoline stations added 600 workers. Building material (hardware, lumber yards, etc.) added 500 jobs as usual at this time of the year.

Seasonal factors also increased job opportunities in the service industries in April as employment in the group rose 2,700. Agricultural services alone added 800 with much of the expansion at firms providing lawn and garden care to businesses and householders. Amusement and recreation employment added 500 jobs. Payrolls at ski resorts fell but that was more than offset by new jobs resulting from the opening of the racing season and expansions at golf courses and in other outdoor amusement activities. Business services, including personnel supply and services to buildings, also expanded in April.

Construction Employment Strong, Outlook Good

Construction employment rose 2,700 between March and April thanks to improving weather and low interest rates on home mortgages. Rates on fixed-rate home loans dropped below 10 percent for the first time in this decade. Construction data collected by the F.W. Dodge statistical reporting service show the value of building permits issued through April 1986 in Washington State up 13 percent from the comparable four-month period in 1985. The value for residential buildings rose 15 percent year to year. The dollar value for nonresidential building fell seven percent over the year, but the value of permits for non-building construction (streets, water supply, sewers, etc.) was up 52 percent in the first four months of 1986. Since permits are a gauge of future building activity, the F.W. Dodge data suggest healthy growth in the building trades over the next several months.

NATIONAL CONTEXT

Industrial Production Weak But Outlook For Economy Encouraging

Industrial production in the nation remains relatively weak because of foreign competition, but the outlook for the economy over the next several months remains favorable. Industrial production in the U.S. rose a slight 0.2 percent in April following sharp drops of 0.7 percent in March and 0.8 percent in February. Year-to-year, production in manufacturing was up only 0.8 percent. The declining value of the dollar, however, should improve the competitive position of U.S. factories in the months ahead.

The Index of Leading Economic Indicators jumped 1.5 percent in April which was its strongest advance since October 1983. A major contributor was an increase in the money supply which apparently reflected a sharp one-time increase to money market and individual retirement accounts. Other leading indicators moving up in April were business and consumer borrowing, new orders for consumer goods, stock prices, net business formations, building permits and claims for unemployment insurance (inverted). Leading indicators losing ground in April were contracts and orders for plant and equipment, the average workweek in manufacturing and sensitive material prices.

Purchasing Agents, Conference Board, And Economists See Future Growth

The national survey of purchasing agents reflected a growing economy in May. New orders led the advance in the group's composite index which rose to 54.4 percent in May. A reading above 50 percent generally indicates the economy is expanding. Separately, the Conference Board, a business-supported research group, forecast that the nation's economy will show solid growth in 1986 and 1987 but that agriculture, energy and capital goods will lag the rest of the economy. The board's optimism is based on lower oil prices, declining interest rates and a realignment of exchange rates. However, their optimism was moderated by low demand for consumer durables and capital goods, low utilization rates in manufacturing and growing consumer debt. A survey by the National Association of Business Economists was also bullish on the economy. The survey which included 330 members found that 93 percent believe the current recovery will continue in 1987 and 46 percent expect the expansion to last into 1988 or later.

CONSUMER PRICE INDEX

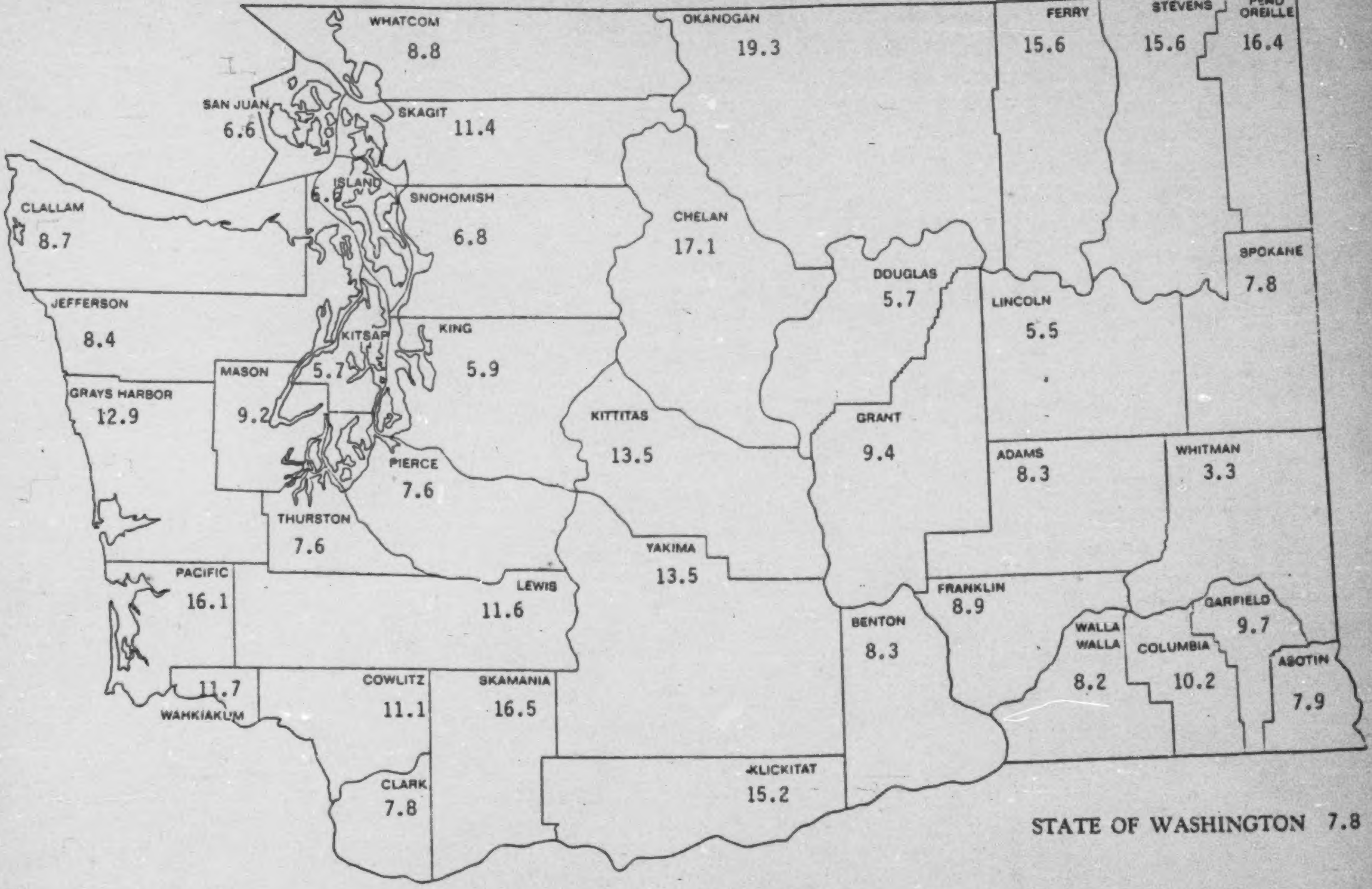
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Apr. 1986	Mar. 1986	Apr. 1985	Apr. 1986	Mar. 1986
U.S. City Average	325.3	326.0	320.1	+1.6	+2.3
Seattle-Everett	N/A	325.0	N/A	N/A	+1.1

AREA WAGE SURVEY REPORT AVAILABLE FOR CLALLAM & JEFFERSON COUNTIES

The Wage Analysis Unit of the Labor Market and Economic Analysis Branch recently completed an occupational wage survey for Clallam and Jefferson counties. The survey report, based upon data from 163 establishments, presents wage ranges and averages for clerical, managerial, professional, technical and general occupations. The report, titled "AREA WAGE SURVEY, CLALLAM & JEFFERSON COUNTIES, FEBRUARY 1986," is available on request from Employment Security Department, Labor Market and Economic Analysis, M/S KG-11, Olympia, Washington 98504-5311, Phone (206) 438-4809.

APRIL UNEMPLOYMENT RATES


WHATCOM
8.8
OKANOGAN
19.3
FERRY
15.6
STEVENS
15.6
PEND OREILLE
16.4
SAN JUAN
6.6
SKAGIT
11.4
ISLAND
6.6
SNOHOMISH
6.8
CLALLAM
8.7
CHELAN
17.1
SPOKANE
7.8
DOUGLAS
5.7
LINCOLN
5.5
JEFFERSON
8.4
KITSAP
5.7
KING
5.9
MASON
9.2
GRAYS HARBOR
12.9
KITTITAS
13.5
GRANT
9.4
ADAMS
8.3
WHITMAN
3.3
PIERCE
7.6
THURSTON
7.6
YAKIMA
13.5
PACIFIC
16.1
LEWIS
11.6
FRANKLIN
8.9
GARFIELD
9.7
BENTON
8.3
WALLA WALLA
8.2
COLUMBIA
10.2
ASOTIN
7.9
11.7
WAHKIAKUM
COWLITZ
11.1
SKAMANIA
16.5
KLICKITAT
15.2
CLARK
7.8

STATE OF WASHINGTON 7.8

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Apr. 1986 (Prel.)	Mar. 1986 (Rev.)	Apr. 1985 (Rev.)	Mar. 1985 (Rev.)	Mar. 86 to Apr. 86	Apr. 85 to Apr. 86
TOTAL NONAG. WAGE AND SALARY.	1,745.6	1,731.0	1,693.5	1,670.8	+14.6	+52.1
TOTAL MANUFACTURING.........	298.1	295.0	290.7	289.5	+3.1	+7.4
Durable Goods..............	208.6	207.3	202.9	201.9	+1.3	+5.7
Lumber & Wood Products....	36.9	35.9	37.3	36.7	+1.0	-0.4
Furniture & Fixtures......	3.7	3.7	3.8	3.7	0.0	-0.1
Stone Clay & Glass Prod...	6.3	6.1	6.5	6.2	+0.2	-0.2
Primary Metal Industries..	12.5	12.4	12.9	13.0	+0.1	-0.4
Aluminum Prod.& Proc.....	8.4	8.4	8.8	8.7	0.0	-0.4
Fabricated Metal Prod.....	9.5	9.5	9.3	9.3	0.0	+0.2
Machinery.................	30.0	30.5	29.4	29.7	-0.5	+0.6
Machinery exc. Elect.....	17.8	18.2	16.9 3/	17.1	-0.4	+0.9
Electrical & Electronic..	12.2	12.3	12.5	12.6	-0.1	-0.3
Transportation Equipment..	94.9	94.4	88.5	88.1	+0.5	+6.4
Aerospace................	82.8	82.1	74.3	73.8	+0.7	+8.5
Other Transp. Equip......	12.1	12.3	14.2	14.3	-0.2	-2.1
Instruments & Rel. Prod...	10.4	10.4	10.8	10.7	0.0	-0.4
Misc. Manufacturing Ind...	4.4	4.4	4.4	4.5	0.0	0.0
Nondurable Goods...........	89.5	87.7	87.8	87.6	+1.8	+1.7
Food & Kindred Products...	30.7	29.0	29.6	29.0	+1.7	+1.1
Canned & Preserved Foods.	11.8	9.9	10.6	9.6	+1.9	+1.2
Apparel & Other Text.Prod.	6.1	6.1	5.9	6.2	0.0	+0.2
Paper & Allied Products...	16.0	16.1	16.3	16.5	-0.1	-0.3
Printing & Publishing.....	17.7	17.5	17.4	17.4	+0.2	+0.3
Chemicals & Allied Prod...	11.5	11.5	11.1	11.0	0.0	+0.4
Other Nondurable Goods 2/.	7.5	7.5	7.5	7.5	0.0	0.0
MINING & QUARRYING..........	2.9	2.9	2.6	2.5	0.0	+0.3
CONSTRUCTION................	79.9	77.2	76.6	73.8	+2.7	+3.3
TRANS.& PUBLIC UTILITIES....	94.5	94.1	91.7 3/	90.2 3/	+0.4	+2.8
WHOLESALE & RETAIL TRADE....	428.6	423.4	412.9	406.5	+5.2	+15.7
Wholesale Trade............	105.7	105.1	105.3	103.7	+0.6	+0.4
Retail Trade...............	322.9	318.3	307.6	302.8	+4.6	+15.3
FIN. INS. & REAL ESTATE.....	102.2	101.6	98.2	97.3	+0.6	+4.0
SERVICES....................	386.2	383.5	372.7	365.6	+2.7	+13.5
Health Services	119.3	119.1	115.6	115.2	+0.2	+3.7
GOVERNMENT..................	353.2	353.3	348.1	345.4	-0.1	+5.1
Federal....................	68.9	68.7	70.2	68.2	+0.2	-1.3
State & Local..............	284.3	284.6	277.9	277.2	-0.3	+6.4
Education.................	154.4	155.2	152.0	152.5	-0.8	+2.4
(WORKERS IN LABOR-MANAGEMENT DISPUTES).................	0.0	0.0	0.7	0.7	0.0	-0.7

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

Date: May 29, 1986
Benchmark 1985

	April 1986 Preliminary 1/				March 1986 Revised 1/				April 1985 Revised			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State Total	2,116,900	1,951,900	165,000	7.8	2,094,000	1,920,100	173,900	8.3	2,093,500	1,919,900	173,600	8.3
Bellingham MSA	53,400	48,700	4,700	8.8	52,500	47,700	4,800	9.1	52,800	47,800	5,000	9.5
Bremerton MSA	70,000	66,000	4,000	5.7	69,200	65,200	4,000	5.8	68,400	64,200	4,200	6.1
Olympia MSA	67.300	62,200	5,100	7.6	66,500	61,400	5,100	7.7	65,900	60,800	5,100	7.7
Seattle PMSA	926,900	870,200	56,700	6.1	922,000	863,900	58,100	6.3	910,100	848,700	61,400	6.7
King County 2/	723,900	680,900	43,000	5.9	719,600	676,000	43,600	6.1	711,200	664,100	47,100	6.6
Snohomish County 2/	203,100	189,300	13,800	6.8	202,400	187,900	14,500	7.2	198,900	184,600	14,300	7.2
Spokane MSA	158,300	146,000	12,300	7.8	157,200	143,800	13,400	8.5	161,700	149,100	12,600	7.8
Tacoma PMSA	223,900	206,800	17,100	7.6	222,300	205,000	17,300	7.8	218,100	200,500	17,600	8.1
Tri-Cities MSA	68,500	62,700	5,800	8.5	66,900	60,600	6,300	9.4	67,000	60,200	6,800	10.1
Benton County 2/	51,700	47,400	4,300	8.3	50,300	45,700	4,600	9.1	50,400	45,400	5,000	9.9
Franklin County 2/	16,900	15,400	1,500	8.9	16,500	14,800	1,700	10.3	16,500	14,700	1,800	10.9
Vancouver PMSA	102,400	94,400	8,000	7.8	100,900	92,300	8,600	8.5	99,700	91,200	8,500	8.5
Yakima MSA	85,900	74,300	11,600	13.5	82,400	69,300	13,100	15.9	86,000	75,900	10,100	11.7
Adams	6,540	6,000	540	8.3	6,460	5,720	740	11.5	6,920	6,260	660	9.5
Asotin	7,990	7,360	630	7.9	7,970	7,250	720	9.0	7,900	7,170	730	9.2
Clallam	21,150	19,300	1,850	8.7	20,500	18,390	2,110	10.3	21,420	19,040	2,380	11.1
Columbia	2,440	2,190	250	10.2	2,060	1,760	300	14.6	2,440	2,230	210	8.6
Cowlitz	34,300	30,490	3,810	11.1	33,890	29,640	4,250	12.5	34,850	30,600	4,250	12.2
Ferry	2,700	2,280	420	15.6	2,630	2,140	490	18.6	2,680	2,160	520	19.4
Garfield	1,130	1,020	110	9.7	1,120	980	140	12.5	1,220	1,120	100	8.2
Grant	23,580	21,360	2,220	9.4	22,780	20,120	2,660	11.7	23,460	20,800	2,660	11.3
Grays Harbor	25,350	22,090	3,260	12.9	25,050	21,630	3,420	13.7	25,990	22,630	3,360	12.9
Island	15,730	14,690	1,040	6.6	15,600	14,550	1,050	6.7	16,500	15,230	1,270	7.7
Jefferson	6,700	6,140	560	8.4	6,430	5,820	610	9.5	6,580	5,980	600	9.1
Kittitas	11,290	9,770	1,520	13.5	11,480	9,940	1,540	13.4	11,590	10,080	1,510	13.0
Klickitat	8,550	7,250	1,300	15.2	8,580	6,900	1,680	19.6	8,120	6,700	1,420	17.5
Lewis	23,730	20,980	2,750	11.6	23,580	20,680	2,900	12.3	24,010	21,070	2,940	12.2
Lincoln	4,220	3,990	230	5.5	4,230	3,910	320	7.6	4,590	4,330	260	5.7
Mason	12,240	11,110	1,130	9.2	11,860	10,710	1,150	9.7	12,080	11,100	980	8.1
Okanogan	13,370	10,790	2,580	19.3	13,120	10,620	2,500	19.1	14,170	11,580	2,590	18.3
Pacific	7,150	6,000	1,150	16.1	6,850	5,870	980	14.3	6,960	5,870	1,090	15.7
Pend Oreille	3,540	2,960	580	16.4	3,600	2,950	650	18.1	3,800	3,030	770	20.3
San Juan	4,240	3,960	280	6.6	4,160	3,800	360	8.7	4,150	3,870	290	7.0
Skagit	30,250	26,800	3,450	11.4	29,560	25,860	3,700	12.5	30,320	26,170	4,150	13.7
Skamania	2,370	1,980	390	16.5	2,400	1,880	520	21.7	2,740	2,220	520	19.0
Stevens	11,250	9,500	1,750	15.6	11,240	9,310	1,930	17.2	11,730	9,680	2,050	17.5
Wahkiakum	1,200	1,060	140	11.7	1,170	990	180	15.4	1,360	1,200	160	11.8
Walla Walla	24,710	22,680	2,030	8.2	24,030	21,190	2,840	11.8	23,610	21,760	1,850	7.8
Wenatchee Labor Area	36,790	31,760	5,030	13.7	36,150	31,310	4,840	13.4	36,350	31,940	4,410	12.1
Chelan County 2/	25,770	21,370	4,400	17.1	25,420	21,060	4,360	17.2	24,910	21,490	3,420	13.7
Douglas County 2/	11,030	10,400	630	5.7	10,740	10,250	490	4.6	11,450	10,460	990	8.6
Whitman	17,720	17,130	590	3.3	17,640	17,010	630	3.6	18,500	17,870	630	3.4

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics' estimates, which must be used for federal program purposes, are available upon request.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

NOTE: Detail may not add due to rounding.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

May 30, 1986
Benchmark 1985

(Not Seasonally Adjusted)

	APRIL 1986 PRELIMINARY 1/				MARCH 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State Total	2,144,800	1,977,800	167,000	7.8	2,114,100	1,940,700	173,400	8.2
Bellingham MSA	54,000	49,300	4,700	8.7	53,000	48,200	4,800	9.1
Bremerton MSA	71,000	66,900	4,100	5.8	69,900	65,900	4,000	5.7
Olympia MSA	68,200	63,000	5,200	7.6	67,200	62,100	5,100	7.6
Seattle PMSA	939,100	881,700	57,400	6.1	931,100	873,200	57,900	6.2
King County 2/	733,400	689,900	43,500	5.9	726,700	683,300	43,400	6.0
Snohomish County 2/	205,700	191,800	13,900	6.8	204,400	190,000	14,400	7.0
Spokane MSA	160,500	148,000	12,500	7.8	158,800	145,400	13,400	8.4
Tacoma PMSA	226,800	209,500	17,300	7.6	224,500	207,200	17,300	7.7
Tri-Cities MSA	69,500	63,600	5,900	8.5	67,500	61,200	6,300	9.3
Benton County 2/	52,400	48,000	4,400	8.4	50,800	46,200	4,600	9.1
Franklin County 2/	17,100	15,600	1,500	8.8	16,700	15,000	1,700	10.2
Vancouver PMSA	103,800	95,700	8,100	7.8	101,800	93,300	8,500	8.3
Yakima MSA	87,000	75,300	11,700	13.4	83,100	70,000	13,100	15.8
Adams	6,630	6,080	550	8.3	6,520	5,780	740	11.3
Asotin	8,100	7,460	640	7.9	8,050	7,330	720	8.9
Clallam	21,440	19,560	1,880	8.8	20,680	18,580	2,100	10.2
Columbia	2,470	2,220	250	10.1	2,080	1,780	300	14.4
Cowlitz	34,750	30,890	3,860	11.1	34,190	29,960	4,230	12.4
Ferry	2,740	2,310	430	15.7	2,650	2,160	490	18.5
Garfield	1,150	1,040	110	9.6	1,130	990	140	12.4
Grant	23,890	21,640	2,250	9.4	22,990	20,340	2,650	11.5
Grays Harbor	25,690	22,390	3,300	12.8	25,270	21,860	3,410	13.5
Island	15,940	14,890	1,050	6.6	15,750	14,700	1,050	6.7
Jefferson	6,790	6,220	570	8.4	6,490	5,880	610	9.4
Kittitas	11,440	9,900	1,540	13.5	11,570	10,040	1,530	13.2
Klickitat	8,670	7,350	1,320	15.2	8,650	6,980	1,670	19.3
Lewis	24,030	21,250	2,780	11.6	23,800	20,910	2,890	12.1
Lincoln	4,280	4,040	240	5.6	4,270	3,950	320	7.5
Mason	12,400	11,260	1,140	9.2	11,960	10,820	1,140	9.5
Okanogan	13,540	10,930	2,610	19.3	13,240	10,740	2,500	18.9
Pacific	7,250	6,080	1,170	16.1	6,910	5,930	980	14.2
Pend Oreille	3,590	3,000	590	16.4	3,630	2,980	650	17.9
San Juan	4,300	4,020	280	6.5	4,200	3,840	360	8.6
Skagit	30,660	27,160	3,500	11.4	29,830	26,140	3,690	12.4
Skamania	2,400	2,010	390	16.3	2,420	1,900	520	21.5
Stevens	11,390	9,620	1,770	15.5	11,340	9,410	1,930	17.0
Wahkiakum	1,210	1,070	140	11.6	1,180	1,000	180	15.3
Walla Walla	25,030	22,980	2,050	8.2	24,240	21,410	2,830	11.7
Wenatchee Labor Area	37,280	32,190	5,090	13.7	36,480	31,650	4,830	13.2
Chelan County 2/	26,100	21,650	4,450	17.0	25,630	21,290	4,340	16.9
Douglas County 2/	11,180	10,540	640	5.7	10,850	10,360	490	4.5
Whitman	17,950	17,350	600	3.3	17,820	17,190	630	3.5

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	April 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		April 1986	March 1986	April 1985	April 1986	March 1986	April 1985	April 1986	March 1986	April 1985
TOTAL MANUFACTURING INDUSTRIES*	179,500	$466.49	$472.82	$448.91	39.6	39.9	38.5	$11.78	$11.85	$11.66
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	32,400	$444.60	$457.41	$433.53	39.0	39.5	37.6	$11.40	$11.58	$11.53
Primary Metal Industries	9,700	$537.79	$553.24	$509.35	41.4	42.2	39.7	$12.99	$13.11	$12.83
Fabricated Metal Products	7,200	$452.98	$454.68	$453.96	39.7	39.4	39.0	$11.41	$11.54	$11.64
Machinery	17,200	$380.16	$391.72	$351.44	39.6	40.3	36.8	$9.60	$9.72	$9.55
Food and Kindred Products	23,000	$360.61	$361.38	$350.66	37.8	36.8	36.3	$9.54	$9.82	$9.66
Chemical and Allied Products	5,100	$581.09	$573.38	$563.45	41.3	41.7	41.4	$14.07	$13.75	$13.61
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	59,300	$588.06	$585.00	$586.80	36.8	36.7	36.2	$15.98	$15.94	$16.21
Wholesale and Retail Trade	264,400	$317.64	$322.93	$317.13	33.9	34.1	34.1	$9.37	$9.47	$9.30

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

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JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 6 June 1986

HIGHLIGHTS

Farm Work Accelerates, Unemployment Down

Seasonal growth picked up momentum and boosted total employment in Washington State 44,300 between April and May. The increased job opportunities reduced unemployment from 165,700 and 7.8 percent of the labor force in April to 157,000 and 7.3 percent in May.

Agriculture accounted for most of the new jobs as usual for this time of the year. The asparagus harvest was at its peak level, and field work was in full swing with farmers busy seeding, fertilizing, spraying and irrigating.

	May 1986* (Prel.)	Apr. 1986* (Rev.)	May 1985
Civilian Labor Force	2,153.6	2,118.0	2,123.3
Total Employment	1,996.6	1,952.3	1,960.0
Total Unemployment	157.0	165.7	163.3
State Unemployment Rate	7.3	7.8	7.7
National Civilian Unemployment Rate	7.0	7.0	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Nonagricultural employment also continued to grow with nonfarm employment advancing 14,400 in May including 1,300 new jobs in manufacturing.

In the manufacturing industries, seasonal gains occurred in lumber-wood products and food manufacturing while aerospace continued its expansion. The only significant loss was in nonelectrical machinery where employment dropped 600 with work being phased down on a special contract.

Early tourist business was a major factor behind growth in the trade and service industries. Sizable gains were credited to restaurants, gasoline stations, hotels-motels, resorts, golf courses and race tracks. Construction also posted a strong gain thanks to improving weather and the lowest home mortgage rates in this decade.

Employment Growth Not All Seasonal

Although the employment growth over the month was largely seasonal, the expansion was greater than usual for this time of the year. On a seasonally adjusted basis, total employment increased from 1,954,300 to 1,974,900. The May level exceeded the total for October 1985 (1,967,600) to break the minor slide in the adjusted series which began last fall. Hopefully, the increases in April and May in the seasonally adjusted series will mark the beginning of another growth phase in the state's economy. Unemployment, after seasonal adjustment, also declined for the second consecutive month in May to interrupt an erratic uptrend (see charts on page three). The seasonally adjusted rate dropped from 7.8 percent in April to 7.6 percent in May. The May rate matched the low point in the series for 1985 but was slightly above the 7.4 percent rate recorded in January 1986. The rate in January, however, probably benefited from unusually mild weather in that month.

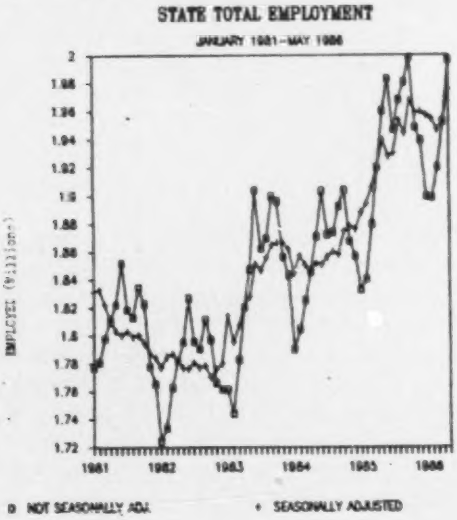
Jobless Rates Down Substantially in Eastern Washington

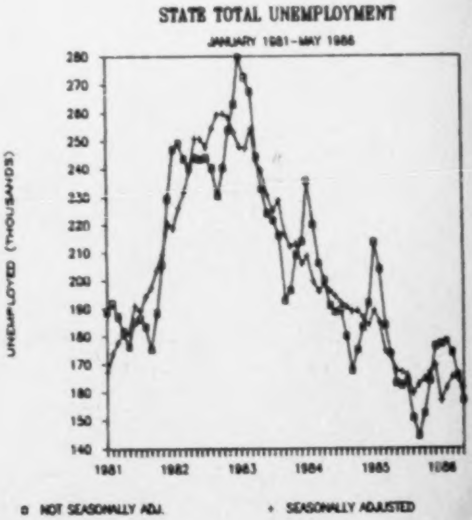
The largest relative reduction in unemployment between April and May occurred in Eastern Washington because of growing employment opportunities in agriculture: the jobless rate fell from 10.2 to 9.0 percent. In Western Washington, which did not benefit as much from the expansion in farm work, the unemployment rate edged down from 7.1 to 6.8 percent between April and May. Major Eastern Washington areas such as Yakima and Walla Walla counties experienced large reductions in unemployment over the month as a result of the asparagus harvest, growth in other agricultural work and the food processing industry. The jobless rate in Yakima County fell from 13.5 to 12.1 percent, while the rate in Walla Walla County dropped from 8.2 to 6.7 percent.

Unemployment Rate In Seattle Below National Rate

In the Seattle Metropolitan Area, employment rose 11,400 between April and May with strong growth in the tourist-related trade and service industries and further growth in aerospace. Unemployment, however, fell only 900 and the rate dipped from 6.1 to 6.0 percent as the number of new entrants to the labor force offset most of the gain in employment. Nonetheless, the unemployment rate in the Seattle area in May was well below the statewide (7.3) and national (7.0) rates.

In the other larger Western Washington areas, the reductions in unemployment were also relatively minor between April and May. Rates, however, were below those of last year. In the Tacoma area the rate fell from 7.7 to 7.5 percent over the month, while the rate in the Olympia Metropolitan Area dropped from 7.6 to 7.3 percent. The Bremerton Metropolitan Area continued to have the lowest rates in Western Washington and one of the lowest in the state. Its unemployment rate fell from 5.7 percent in April to 5.5 percent in May. Bremerton, of course, owes its low rate to defense employment. The Defense Department is the area's major employer, and government, in total, accounted for nearly one-half of all nonfarm wage and salary jobs in Kitsap County in 1985.





Unemployment Down In Logging Areas Too, But Still High

Unemployment in areas largely dependent on the lumber industry also declined over the month, but remained at a relatively high level. The jobless rate in the state's 14 lumber-logging counties fell from 12.4 to 10.5 percent between April and May as the demand for lumber picked up seasonally.

Unemployment in these areas was also down over the year, from 11.5 to 10.5 percent, but employment declined slightly too. This may have resulted from the out-migration of unemployed workers to areas with more promising job prospects. Other unemployed workers may have simply given up looking for work and dropped out of the labor force. These "discouraged workers" would no longer be included in the unemployment data. The persistently high unemployment levels in these areas point up the fact that the substantial expansion in the state's economy since the last recession has been far from uniform throughout the state.

MANUFACTURING INDUSTRIES

4,000 Weyerhaeuser Workers On Strike

Lumber employment rose 600 in May largely due to seasonal factors. Increasing demand for lumber resulting from a sharp expansion in the homebuilding industry was promising to spark at least a modest recovery in this depressed industry until contract negotiations between The Weyerhaeuser Company and unions representing its loggers and mill workers broke down. Approximately 4,000 Weyerhaeuser workers went out on strike June 16, 1986. The company is asking substantial wage and benefit reductions to bring its labor costs in line with nonunion competitors. News reports say an early settlement does not appear likely and that the strike could spread to other firms where negotiations are still continuing.

Weyerhaeuser has proposed dropping base-pay rates in return for a profit-sharing plan. According to a company spokesman this could result in pay reductions of as little as $1 an hour. News reports, however, indicate that base-pay and benefits could drop as much as $4 per hour. Weyerhaeuser's wages and benefits for loggers and mill workers now average about $20 per hour. Independent competitors in the Northwest were said to pay wages and benefits averaging $12 to $14 per hour. According to the spokesman, 80 percent of Weyerhaeuser's wood product plants lost money in the last five years.

Tariff Imposed on Canadian Shakes and Shingles

In response to growing competition with Canada in the red cedar shake and shingle industry, the federal government imposed a five-year declining tariff on Canadian shakes and shingles in late May. The tariff begins with a 35 percent duty in the first year. U.S. cedar shake and shingle manufacturers have seen Canadian producers take over half of the U.S. market in recent years.

Employment in this industry in Washington State has begun to pick up already. A spokesman for the Independent Forest Manufacturers reported some mills starting up after long shutdowns and other mills expanding. By contrast, layoffs at shake and shingle mills were being reported in British Columbia.

Meanwhile, U.S. lumber producers filed a petition with the U.S. International Trade Commission seeking a 27 percent duty on imports of Canadian lumber. U.S. lumber manufacturers are complaining that Canadian lumber producers receive unfair government subsidies. The share of the U.S. lumber market going to Canadian firms has increased from about 19 percent in 1975 to more than 33 percent today. The commission ruled in late June that there was reasonable grounds to believe that U.S. producers are being injured by imports from Canada. The case now goes to the U.S. Commerce Department which must decide how much of an advantage, if any, Canadian Government subsidies are providing to that country's lumber producers. A tariff on Canadian lumber shipped to the U.S. could then be imposed as is the case with Canadian red cedar shingles and shakes.

The problem with imposing tariffs and trade barriers, however, is that they invite retaliation which can result in a full trade war to the detriment of all nations involved. In response to the tariff on its cedar shakes and shingles, the Candian government put duties on the import of U.S. books, computers and semiconductors.

Aerospace Looking Good

The Boeing Company continued to log new orders for jet airliners. The company received its fourth largest order ever in June from GPA Group Ltd., an international aircraft leasing firm based in Ireland, for 81 model 737s worth $2.3 billion. The Irish firm chose Boeing planes over those of Airbus Industrie, Boeing's main competitor. Boeing also sold Piedmont Aviation Inc. 25 model 737s valued at $750 million in June. Piedmont, a North Carolina based airline, also took options for 30 more planes and spare parts. The potential value of the planes and options was estimated at $1.9 billion. Delivery of the planes ordered is expected to begin in September 1988. Rounding out major orders for the month, Cathay Pacific Airlines, based in Hong Kong, purchased two model 742-400s which sell for $125 million each. If Cathay Pacific exercises its options for additional aircraft and spare parts, the total sale could be worth $1.6 billion.

Boeing To Build New Air Force One

The Air Force announced in June that it intends to purchase two 747 jumbo jets for the White House fleet. The Boeing plane was selected in competition with the McDonnel Douglas DC-10. The order, however, requires congressional approval.

Blimps On A Comeback

Boeing is now competing for a $3.3 billion contract to build 50 blimps for the Navy which would be used for spotting and tracking Soviet sea-skimming missiles up to 125 miles away. The blimps would be less expensive than other airborne warning systems and cheaper to keep aloft. Boeing had a $586,000 study contract to design the blimps.

Northwest Shipbuilding Loses Again

A Navy contract for seven 174-foot Landing Craft Utility ships was won by Lockheed Shipbuilding in June. The contract was valued at $34 million but could eventually be worth $140 million if options are exercised. A Lockheed spokesman said that the ships would be built in Georgia rather than in its Seattle shipyard because of high wage rates in the Northwest.

Tacoma Boatbuilding was one of the finalists in the competition for the contract. The Tacoma firm needs new contracts if it is to survive beyond the end of the year when the ships it is now building will be completed.

Jobless Aid For Shipyard Workers

A further sign of the depressed condition of the state's shipyard industry was the U.S. Department of Labor award of a $1 million grant to the State Employment Security Department to provide assistance to workers laid off in the state's shipbuilding industry. The grant will enable the department to provide skills identification, job search, retraining and relocation assistance to about 325 workers who lost jobs in the industry.

High-Tech Plus And Minus

Although employment in the state's electronics industry was down slightly over the year because of nationwide weakness in the industry, developments have been favorable lately. Matsushita Electric Industrial Company has selected Vancouver as its location to build video tape recorders in the United States. The firm is Japan's largest consumer electronics manufacturer and is best known for its Panasonic and Quasar televisions and video cassette recorders. The Vancouver facility would reportedly employ about 150 workers initially.

Tacoma was selected as a new site by another firm in June. MORPHO Systems Inc., the North American subsidiary of a French firm, is expected to be in operation with 45 employees in Tacoma by the end of summer. The company's principal product is a computerized fingerprint identification system. Both the city of Tacoma and Pierce County have contracts with the firm.

In other high-tech news, improvement in the U.S. semiconductor market has resulted in the recall of workers laid off last year by SEH America Inc. in Vancouver. The firm was forced to lay off 155 workers last year because of a slowdown in orders. The company expects its work force to be back to its pre-layoff total by mid-year. The firm believes that the semiconductor industry will grow about ten percent in 1986 and show even stronger growth in 1987.

On the negative side was a Key Tronic Corp. announcement in late June that it expected to lay off more than ten percent of its 1,850 workers. The firm manufactures keyboards and other computer input devices and is one of Spokane County's largest private employers. The slump in the electronics industry caused several original equipment manufacturers to reduce their orders. Key Tronic is now discussing the possible sale of its business to a Japanese Company.

In July RCA-Sharp Micro electronics announced that it would not build a manufacturing plant in Camus as expected because General Electric, which recently bought RCA, already has a plant doing the work planned for the proposed facility. A spokesman for the RCA-Sharp joint venture company said that General Electric would reimburse the state and Clark County for costs in developing the site and help the state find another buyer. Governor Gardner said the state is already talking to companies in Korea and Japan about the Camas site and expects little difficulty in finding another buyer. General Electric will provide new jobs for 40 of the joint venture's 91 employees and severence pay and out-placement services for the remainder.

NONMANUFACTURING INDUSTRIES

Housing Market Strong

Improving weather and an expanding homebuilding industry teamed up to push employment 2,700 higher in construction in May. "Construction Potentials" data (building permits) collected by the F.W. Dodge statistical reporting service suggest that home building will remain brisk in the state for several more months. The cumulative value of building permits issued for residential buildings January through May of 1986 was up 14 percent from the comparable five month period in 1985. For May 1986, permits were issued covering 3,528 units versus 3,050 units in May 1985, up 16 percent.

The National Association of Realtor's index of housing affordability helps explain the upsurge. The index rose to 100.8 in April, its second highest level since 1978. When the index is at 100, a family earning the median income can qualify for a mortgage covering 80 percent of the price of a median priced home. When the index is below 100, the median income is not sufficient to qualify.

Roofers Strike

The only negative development in the construction industry was a strike by 300 roofers in Western Washington which began June 1. The union rejected an offer by the Roofing Contractors Association which would have cut the hourly scale for a journeyman from

$18.85. The association wants a three-tiered rate from $12 to $14 per hour.

AT&T Strike Settled

Several hundred AT&T employees in Washington State and several thousand nationally went on strike June 1, but the dispute was settled on June 26. Operators, installers, and sales personnel received an eight percent wage increase spread over three years and job security guarantees in the new contract. Cost of living wage adjustments were ended, however. A company spokesman said the new agreement provides AT&T with "flexibility in structuring and paying certain job categories so we will be better able to keep our costs and prices in line with our competition." The settlement may serve as a guide for negotiations by regional telephone companies which will begin soon.

Vacation Season Is Here

Employment in retail trade rose 4,900 and while payrolls in the service group moved up 1,300 in May. Seasonal growth in tourist business was a factor in both industries. Retail trade has been exceptionally strong in the state over the past year with employment up nearly 15,000. The industry on the national level has also posted healthy gains in employment. Sales data in recent months present a mixed picture nationally, however.

According to the U.S. Department of Commerce, national retail sales fell 0.1 percent in May for the third decline in the past four months. Excluding auto sales, the decline would have been an even larger 0.3 percent. On the other hand, major national retailers were reporting year-to-year sales growth in May. Sears, the largest retail chain, said its sales rose 3.5 percent from May 1985. K Mart, the number two chain, reported a year-to-year increase of 5.1 percent; while J.C. Penney, the third largest retailer, saw May sales rise 8.4 percent above the year-earlier level. The strongest sales gain was in apparel followed by housing-related merchandise.

Everett Navy Base Still Not For Sure

While construction was approved by a narrow ten to nine vote of the Senate Armed Service Committee, the House of Representatives voted in June to delete funds from the fiscal 1987 budget for the proposed new Navy facilities in Everett and Staten Island, N.Y. The next test will occur in July when the full Senate votes on defense programs for fiscal 1987. The Senate measure as now written authorizes funds for the proposed Everett and Staten Island bases. At the same time the Senate Appropriations Committee will take up the House budget bill and could add money back for the facilities. It would then be up to a House-Senate conference to settle the issue.

Funding for the new bases was generally opposed by House members from states which already have large Navy bases. Their states would benefit if more ships were based in their ports. California House members voted 42 to 3 against the proposed Everett and Staten Island facilities. Over 40 percent of all Navy ships are now based in San Diego.

NATIONAL CONTEXT

Mixed Signals

The nation's Index of Leading Economic Indicators rose a scant 0.2 percent in May following a sharp 1.3 percent gain in April. Much of the growth in the index in recent months has come from strength in financial, rather than production indicators, and this points to continued weakness in the nation's manufacturing industries. The sharp decline in the dollar in terms of foreign currencies has yet to help domestic industries sensitive to foreign competition significantly .

The major contribution to the rise in the May index was an increase in the money supply. Other advancing indicators were business and consumer borrowing, the number of companies receiving slower deliveries from suppliers, prices of sensitive materials, stock prices, and contracts and orders for plant and equipment.

Indicators on the downside in May were net business formations, new orders for consumer goods, building permits, the average workweek, and claims for unemployment insurance (increased).

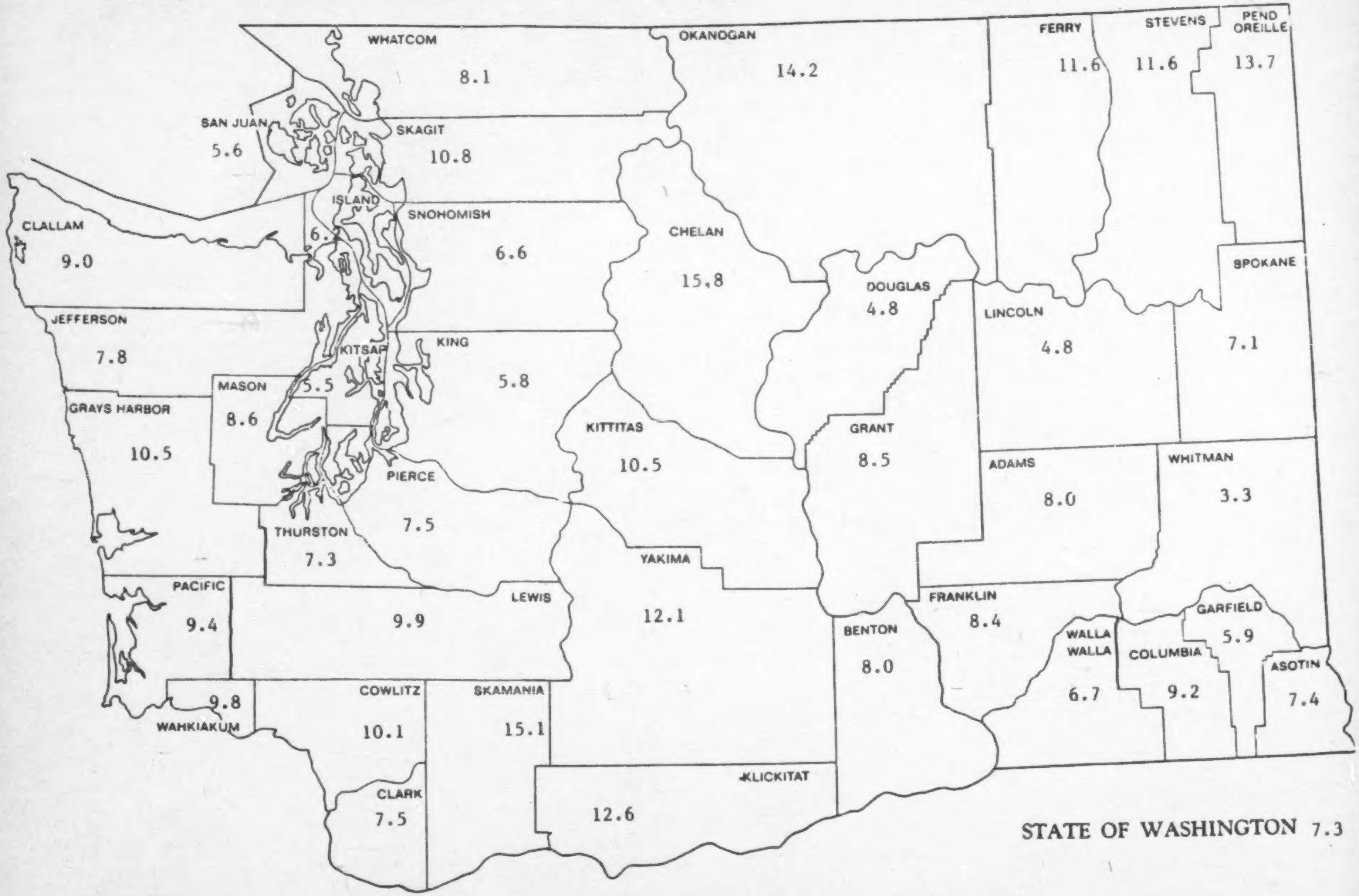
Fewer Apartment Buildings Started

Housing starts in the nation dropped from a revised annual rate of 2,039,000 units in April to 1,888,000 units in May. Despite the fall, however, May 1986 starts were up 12.1 percent from their year-ago level. The decline reflected a reduction in starts on apartment buildings. Starts on single family houses were unchanged. Some analysts attributed the slowdown in apartment construction to fear that the tax reform plan would remove many tax incentives for real estate investors. Others, however, cited high rental vacancy rates which were at a 19-year high in May.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE	
Year Ending	May 1986	Apr. 1986	May 1985	May 1986	Apr. 1986
U.S. City Average	326.3	325.3	321.3	1.6	1.6
Seattle-Everett	323.5	N/A	321.0	0.8	N/A


WHATCOM
8.1
OKANOGAN
14.2
FERRY
11.6
STEVENS
11.6
PEND OREILLE
13.7
SAN JUAN
5.6
SKAGIT
10.8
ISLAND
6.
SNOHOMISH
6.6
CLALLAM
9.0
CHELAN
15.8
DOUGLAS
4.8
LINCOLN
4.8
SPOKANE
7.1
JEFFERSON
7.8
KITSAP
5.5
KING
5.8
MASON
8.6
GRAYS HARBOR
10.5
KITTITAS
10.5
GRANT
8.5
ADAMS
8.0
WHITMAN
3.3
PIERCE
7.5
THURSTON
7.3
YAKIMA
12.1
PACIFIC
9.4
LEWIS
9.9
FRANKLIN
8.4
BENTON
8.0
GARFIELD
5.9
WALLA WALLA
6.7
COLUMBIA
9.2
ASOTIN
7.4
WAHKIAKUM
9.8
COWLITZ
10.1
SKAMANIA
15.1
KLICKITAT
12.6
CLARK
7.5
STATE OF WASHINGTON 7.3

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	May. 1986 (Prel.)	Apr. 1986 (Rev.)	May. 1985 (Rev.)	Apr. 1985 (Rev.)	Numerical Change Apr. 86 to May. 86	Numerical Change May. 85 to May. 86
TOTAL NONAG. WAGE AND SALARY.	1,760.5	1,746.1	1,709.4	1,693.5	+14.4	+51.1
TOTAL MANUFACTURING.........	299.0	297.7	292.5	290.7	+1.3	+6.5
Durable Goods..............	209.1	208.3	203.3	202.9	+0.8	+5.8
Lumber & Wood Products....	37.2	36.6	38.2	37.3	+0.6	-1.0
Furniture & Fixtures......	3.7	3.7	3.8	3.8	0.0	-0.1
Stone Clay & Glass Prod...	6.4	6.3	6.5	6.5	+0.1	-0.1
Primary Metal Industries..	12.6	12.5	12.8	12.9	+0.1	-0.2
Aluminum Prod.& Proc......	8.4	8.4	8.7	8.8	0.0	-0.3
Fabricated Metal Prod.....	9.5	9.5	9.4	9.3	0.0	+0.1
Machinery.................	29.4	30.0	28.6	29.4	-0.6	+0.8
Machinery exc. Elect......	17.2	17.8	16.2	16.9 3/	-0.6	+1.0
Electrical & Electronic..	12.2	12.2	12.4	12.5	0.0	-0.2
Transportation Equipment..	95.5	94.9	88.6	88.5	+0.6	+6.9
Aerospace................	83.5	82.9	74.7	74.3	+0.6	+8.8
Other Transp. Equip......	12.0	12.0	13.9	14.2	0.0	-1.9
Instruments & Rel. Prod...	10.4	10.4	11.0	10.8	0.0	-0.6
Misc. Manufacturing Ind...	4.4	4.4	4.4	4.4	0.0	0.0
Nondurable Goods...........	89.9	89.4	89.2	87.8	+0.5	+0.7
Food & Kindred Products...	31.2	30.5	30.7	29.6	+0.7	+0.5
Canned & Preserved Foods.	12.0	11.5	11.1	10.6	+0.5	+0.9
Apparel & Other Text.Prod.	6.0	6.1	5.9	5.9	-0.1	+0.1
Paper & Allied Products...	16.1	16.0	16.3	16.3	+0.1	-0.2
Printing & Publishing.....	17.6	17.7	17.5	17.4	-0.1	+0.1
Chemicals & Allied Prod...	11.4	11.5	11.2	11.1	-0.1	+0.2
Other Nondurable Goods 2/.	7.6	7.6	7.6	7.5	0.0	0.0
MINING & QUARRYING..........	3.0	3.0	2.6	2.6	0.0	+0.4
CONSTRUCTION................	82.7	80.0	80.0	76.6	+2.7	+2.7
TRANS.& PUBLIC UTILITIES....	94.9	94.4	93.1 3/	91.7 3/	+0.5	+1.8
WHOLESALE & RETAIL TRADE....	434.4	429.1	418.7	412.9	+5.3	+15.7
Wholesale Trade............	106.5	106.1	105.5	105.3	+0.4	+1.0
Retail Trade...............	327.9	323.0	313.2	307.6	+4.9	+14.7
FIN. INS. & REAL ESTATE.....	103.4	102.3	98.9	98.2	+1.1	+4.5
SERVICES....................	387.7	386.4	374.9	372.7	+1.3	+12.8
Health Services	119.9	119.3	116.3	115.6	+0.6	+3.6
GOVERNMENT..................	355.4	353.2	348.7	348.1	+2.2	+6.7
Federal....................	69.1	69.0	70.2	70.2	+0.1	-1.1
State & Local..............	286.3	284.2	278.5	277.9	+2.1	+7.8
Education.................	155.3	154.3	151.7	152.0	+1.0	+3.6
(WORKERS IN LABOR-MANAGEMENT DISPUTES).................	0.0	0.0	0.7	0.7	0.0	-0.7

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 7/1/86
Benchmark: 1985

(Not Seasonally Adjusted)

	May 1986 PRELIMINARY 1/				April 1986 REVISED 1/				May 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,153,600	1,996,600	157,000	7.3	2,118,000	1,952,300	165,700	7.8	2,123,300	1,960,000	163,300	7.7
Bellingham MSA	53,300	49,000	4,300	8.1	53,300	48,600	4,700	8.8	53,100	48,300	4,800	9.0
Bremerton MSA	70,400	66,500	3,900	5.5	70,000	66,000	4,000	5.7	68,500	64,600	3,900	5.7
Olympia MSA	68,500	63,500	5,000	7.3	67,100	62,000	5,100	7.6	67,500	62,400	5,100	7.6
Seattle PMSA	938,100	882,100	56,000	6.0	927,600	870,700	56,900	6.1	916,700	858,400	58,300	6.4
King County 2/	732,600	690,200	42,400	5.8	724,500	681,300	43,200	6.0	716,400	671,700	44,700	6.2
Snohomish County 2/	205,400	191,900	13,500	6.6	203,200	189,400	13,800	6.8	200,300	186,700	13,600	6.8
Spokane MSA	160,700	149,300	11,400	7.1	158,500	146,200	12,300	7.8	164,400	152,600	11,800	7.2
Tacoma PMSA	223,700	207,000	16,700	7.5	224,000	206,800	17,200	7.7	219,000	202,300	16,700	7.6
Tri-Cities MSA	72,800	67,000	5,800	8.0	68,600	62,700	5,900	8.6	69,800	63,500	6,300	9.0
Benton County 2/	55,000	50,600	4,400	8.0	51,800	47,400	4,400	8.5	52,800	48,000	4,800	9.1
Franklin County 2/	17,900	16,400	1,500	8.4	16,900	15,400	1,500	8.9	17,100	15,600	1,500	8.8
Vancouver PMSA	103,900	96,100	7,800	7.5	102,600	94,500	8,100	7.9	101,200	93,100	8,100	8.0
Yakima MSA	89,100	78,300	10,800	12.1	86,000	74,400	11,600	13.5	86,700	76,800	9,900	11.4
Adams	7,710	7,090	620	8.0	6,540	6,010	530	8.1	7,970	7,280	690	8.7
Asotin	8,330	7,710	620	7.4	8,090	7,450	640	7.9	8,110	7,420	690	8.5
Clallam	21,270	19,360	1,910	9.0	21,150	19,270	1,880	8.9	21,530	19,610	1,920	8.9
Columbia	2,510	2,280	230	9.2	2,290	2,040	250	10.9	2,640	2,460	180	6.8
Cowlitz	34,850	31,330	3,520	10.1	34,140	30,310	3,830	11.2	35,080	30,980	4,100	11.7
Ferry	2,750	2,430	320	11.6	2,710	2,280	430	15.9	2,730	2,360	370	13.6
Garfield	1,350	1,270	80	5.9	1,130	1,020	110	9.7	1,400	1,320	80	5.7
Grant	26,620	24,350	2,270	8.5	23,670	21,430	2,240	9.5	26,300	23,260	3,040	11.6
Grays Harbor	25,290	22,640	2,650	10.5	25,350	22,090	3,260	12.9	26,430	23,440	2,990	11.3
Island	16,400	15,390	1,010	6.2	15,740	14,690	1,050	6.7	17,090	15,880	1,210	7.1
Jefferson	7,010	6,460	550	7.8	6,720	6,140	580	8.6	6,850	6,310	540	7.9
Kittitas	11,590	10,370	1,220	10.5	11,300	9,780	1,520	13.5	11,950	10,770	1,180	9.9
Klickitat	9,340	8,160	1,180	12.6	8,330	7,000	1,330	16.0	8,890	7,740	1,150	12.9
Lewis	24,340	21,920	2,420	9.9	23,680	20,910	2,770	11.7	25,050	22,270	2,780	11.1
Lincoln	4,970	4,730	240	4.8	4,220	3,990	230	5.5	5,400	5,130	270	5.0
Mason	12,460	11,390	1,070	8.6	12,240	11,110	1,130	9.2	12,360	11,480	880	7.1
Okanogan	13,060	11,200	1,860	14.2	13,320	10,710	2,610	19.6	14,090	12,080	2,010	14.3
Pacific	7,020	6,360	660	9.4	7,130	5,970	1,160	16.3	6,990	6,040	950	13.6
Pend Oreille	3,570	3,080	490	13.7	3,540	2,960	580	16.4	3,750	3,060	690	18.4
San Juan	4,480	4,230	250	5.6	4,260	3,980	280	6.6	4,450	4,190	260	5.8
Skagit	30,620	27,320	3,300	10.8	30,430	27,000	3,430	11.3	30,020	26,250	3,770	12.6
Skamania	2,380	2,020	360	15.1	2,380	1,980	400	16.8	2,630	2,190	440	16.7
Stevens	11,780	10,410	1,370	11.6	11,250	9,500	1,750	15.6	12,150	10,610	1,540	12.7
Wahkiakum	1,330	1,200	130	9.8	1,240	1,100	140	11.3	1,440	1,320	120	8.3
Walla Walla	25,850	24,130	1,720	6.7	24,710	22,680	2,030	8.2	25,430	23,900	1,530	6.0
Wenatchee Labor Area	37,360	32,690	4,670	12.5	36,800	31,740	5,060	13.8	36,570	32,260	4,310	11.8
Chelan County 2/	26,120	21,990	4,130	15.8	25,820	21,350	4,470	17.3	24,860	21,700	3,160	12.7
Douglas County 2/	11,240	10,700	540	4.8	10,980	10,390	590	5.4	11,710	10,560	1,150	9.8
Whitman	18,880	18,250	630	3.3	17,790	17,200	590	3.3	18,910	18,280	630	3.3

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

7/1/86
Benchmark: 1985

	May 1986 PRELIMINARY 1/				April 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2180900	2017900	163000	7.5	2145800	1978200	167600	7.8
Bellingham MSA	54000	49500	4500	8.3	54000	49300	4700	8.7
Bremerton MSA	71200	67200	4000	5.6	70900	66800	4100	5.8
Olympia MSA	69400	64200	5200	7.5	68100	62900	5200	7.6
Seattle PMSA	949600	891500	58100	6.1	939800	882200	57600	6.1
King County 2/	741600	697600	44000	5.9	734000	690300	43700	6.0
Snohomish County 2/	208000	193900	14100	6.8	205900	191900	14000	6.8
Spokane MSA	162800	150900	11900	7.3	160500	148100	12400	7.7
Tacoma MSA	226500	209200	17300	7.6	227000	209600	17400	7.7
Tri-Cities MSA	73800	67700	6100	8.3	69600	63600	6000	8.6
Benton County 2/	55600	51100	4500	8.1	52500	48000	4500	8.6
Franklin County 2/	18200	16600	1600	8.8	17100	15600	1500	8.8
Vancouver PMSA	105200	97100	8100	7.7	103900	95700	8200	7.9
Yakima MSA	90400	79200	11200	12.4	87200	75400	11800	13.5
Adams	7800	7160	640	8.2	6630	6090	540	8.1
Asotin	8440	7800	640	7.6	8200	7550	650	7.9
Clallam	21550	19570	1980	9.2	21420	19520	1900	8.9
Columbia	2540	2310	230	9.1	2320	2070	250	10.8
Cowlitz	35330	31670	3660	10.4	34600	30720	3880	11.2
Ferry	2790	2460	330	11.8	2750	2310	440	16.0
Garfield	1360	1280	80	5.9	1150	1040	110	9.6
Grant	26970	24610	2360	8.8	23980	21710	2270	9.5
Grays Harbor	25640	22890	2750	10.7	25680	22380	3300	12.9
Island	16600	15550	1050	6.3	15950	14890	1060	6.6
Jefferson	7100	6530	570	8.0	6800	6220	580	8.5
Kittitas	11750	10480	1270	10.8	11450	9910	1540	13.4
Klickitat	9460	8240	1220	12.9	8430	7090	1340	15.9
Lewis	24670	22160	2510	10.2	23980	21180	2800	11.7
Lincoln	5030	4780	250	5.0	4270	4040	230	5.4
Mason	12620	11510	1110	8.8	12400	11260	1140	9.2
Okanogan	13250	11320	1930	14.6	13490	10850	2640	19.6
Pacific	7120	6430	690	9.7	7220	6050	1170	16.2
Pend Oreille	3630	3120	510	14.0	3590	3000	590	16.4
San Juan	4530	4270	260	5.7	4310	4030	280	6.5
Skagit	31040	27610	3430	11.1	30830	27360	3470	11.3
Skamania	2410	2040	370	15.4	2410	2010	400	16.6
Stevens	11940	10520	1420	11.9	11390	9620	1770	15.5
Wahkiakum	1350	1220	130	9.6	1250	1110	140	11.2
Walla Walla	26180	24390	1790	6.8	25040	22980	2060	8.2
Wenatchee Labor Area	37890	33040	4850	12.8	37280	32160	5120	13.7
Chelan County 2/	26520	22230	4290	16.2	26150	21630	4520	17.3
Douglas County 2/	11390	10820	570	5.0	11130	10530	600	5.4
Whitman	19100	18450	650	3.4	18030	17430	600	3.3

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	May 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May 1986	April 1986	May 1985	May 1986	April 1986	May 1985	May 1986	April 1986	May 1985
TOTAL MANUFACTURING INDUSTRIES*	180,200	$470.42	$465.31	$454.33	39.9	39.5	39.2	$11.79	$11.78	$11.59
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	32,800	$453.94	$436.63	$450.08	39.2	38.1	38.7	$11.58	$11.46	$11.63
Primary Metal Industries	9,800	$532.13	$537.37	$521.48	41.9	41.4	40.3	$12.70	$12.98	$12.94
Fabricated Metal Products	7,300	$458.34	$448.09	$462.95	40.1	39.1	39.3	$11.43	$11.46	$11.78
Machinery	16,800	$381.60	$380.95	$375.54	39.3	39.6	39.2	$9.71	$9.62	$9.58
Food and Kindred Products	23,700	$354.19	$355.67	$360.05	37.6	37.4	38.1	$9.42	$9.51	$9.45
Chemical and Allied Products	5,000	$593.88	$578.04	$565.65	42.0	41.2	41.5	$14.14	$14.03	$13.63
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	61,500	$587.65	$583.90	$597.63	36.5	36.7	36.8	$16.10	$15.91	$16.24
Wholesale and Retail Trade	266,400	$319.82	$318.65	$320.63	34.5	34.3	34.7	$9.27	$9.29	$9.24

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

9/13/86 58340-3

JOB SERVICE

Washington State
Employment Security Department

Isiah Turner, *Commissioner*

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In cooperation with
the Employment and
Training Administration
U.S. Department of Labor

Washington Labor Market

Volume 10, Number 7 July 1986

HIGHLIGHTS

Employment Over Two Million

Total employment in Washington State rose significantly between May and June, adding 47,800 jobs, reaching over two million for the first time in this state's history. Unemployment, however, edged up 2,100 to equal 160,300 in June as a result of the end of the regular school year and the entry of thousands of youth into the job market. Because of the increased size of the labor force, the unemployment rate (not seasonally adjusted) remained unchanged at 7.3 percent over the month.

	June 1986* (Prel.)	May 1986* (Rev.)	June 1985
Civilian Labor Force	2,205,400	2,155,500	2,145,200
Total Employment	2,045,100	1,997,300	1,982,900
Total Unemployment	160,300	158,200	162,300
State Unemployment Rate	7.3	7.3	7.6
National Civilian Unemployment Rate	7.3	7.0	7.5

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

As usual most of the new jobs in June were in agriculture. The cherry harvest in Eastern Washington and the strawberry harvest west of the Cascades and related jobs in fruit packing, processing and transportation furnished temporary jobs to thousands of workers. Irrigation work and vegetable harvests also provided many employment opportunities.

Nonagricultural payroll employment rose 13,100 in June, despite several labor-management disputes which involved 2,300 workers during mid-June. Approximately one-half of the increase was in trade. Retail trade benefited from a pickup in tourist business as families began to take vacations with most youth out of school for the summer. An expansion at fruit packing warehouses, where the cherry crop was being processed, provided hundreds of additional jobs in the wholesale segment of trade.

Construction employment continued its normal expansion in June, while summer youth programs helped push up government payrolls. Seasonal expansions at recreational businesses (golf courses, marinas, carnivals, etc.), together with an expansion in health care, provided additional jobs in the service industry. Growth in real estate payrolls resulting from a seasonal pickup in home sales and lower mortgage rates provided several hundred new jobs in June.

Manufacturing employment rose 600 in June with gains in lumber-wood products and aerospace partially offset by job losses in aluminum because of a labor dispute at ALCOA. The strike by Weyerhaeuser workers began June 16th and did not effect the employment estimates in June, since the monthly estimates are prepared for the week including the 12th of the month. The ALCOA and Weyerhaeuser labor disputes have now been settled.

Seasonally Adjusted Employment Up, Unemployment Little Changed

The employment expansion between May and June was greater than normal, and total employment after seasonal adjustment rose from 1,975,600 to 1,987,500. This was the third consecutive monthly increase in the seasonally adjusted employment series which would appear to break the moderate decline from October 1985 (1,967,600) through March 1986 (1,946,400). The seasonally adjusted unemployment rate, however, edged up from 7.6 to 7.7 percent between May and June, and has shown little change since last August (see chart on page four).

When labor market conditions are favorable, it is more difficult for employment gains to result in lower unemployment, because a buoyant job market attracts new entrants to the labor force. A 7.7 percent unemployment rate may not seem low, but there have only been three years since 1970 when the average annual rate in the state has been lower: 1974, 1979 and 1980.

Around the State

While the unadjusted unemployment rate remained unchanged between May and June, there was considerable change in individual counties. In Eastern Washington, where agriculture and related processing activity is relatively more important than in Western Washington, the unemployment rate dropped three-tenths of a point to 8.7 percent. Nonetheless, the rate on the east side of the state in June remained well above the 6.8 percent average for counties west of the Cascades. Moreover, while the rate in Western Washington fell from 7.2 to 6.8 percent over the year, the rate in Eastern Washington edged up from 8.6 to 8.7 percent year to year.

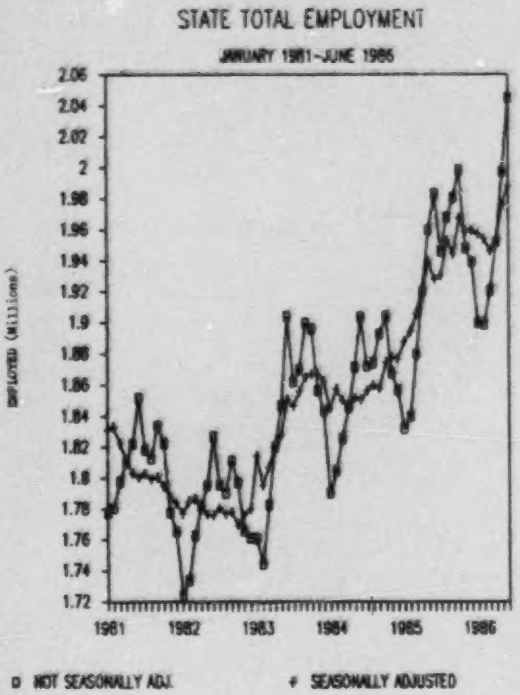
Outmigration Helps Push Down Unemployment Rate in Lumber Counties

In the state's 14 lumber dependent counties, the unemployment rate fell from 10.6 to 10.3 percent and was down from 10.8 percent in June 1985. The decline from May can partially be attributed to a seasonal expansion in the lumber industry. Over the year, however, both lumber employment and total employment have declined in those areas. The apparent reason for the drop in unemployment is the out-migration of unemployed workers. The population of nine of these 14 counties fell between April 1985 and April 1986.

In the state's major labor areas, the unemployment rate in the Seattle Metropolitan Area was unchanged over the month at 6.0 percent. Rates in the Tacoma (7.4 to 7.5) and Spokane (7.1 to 7.2) metropolitan areas edged up. The unemployment rate in the Yakima area, however, fell from 12.2 to 10.2 percent over the month largely due to temporary jobs created by the cherry harvest. Employment in the area rose 13,000 from May while unemployment dropped 500. On the other hand, employment in the Richland-Kennewick Metropolitan Area (Tri-Cities) rose 2,600 over the month, but unemployment increased 700 and the jobless rate moved up from 8.1 to 8.7 percent. Unemployment in the Tri-Cities rose because of layoffs in the area's food processing and construction industries. The employment gains were in agriculture and most of these jobs were filled by school age youth, who entered the labor market in June.

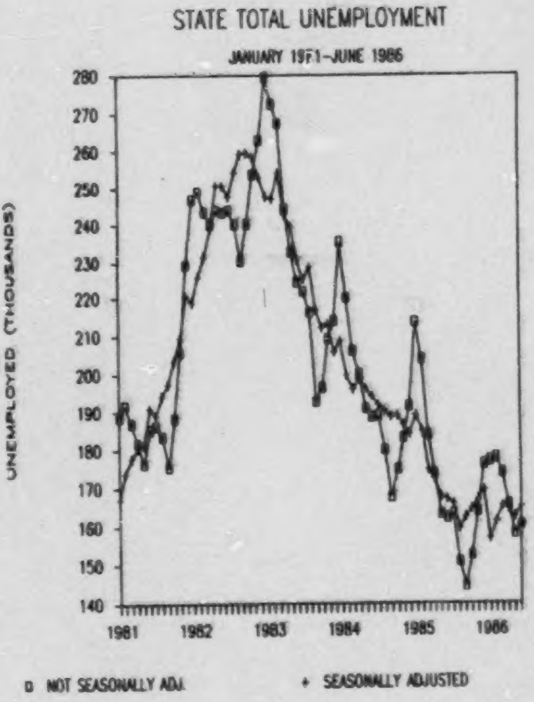
Chelan And Douglas County Estimates Revised

Total unemployment estimates for Chelan and Douglas counties were revised from October 1985 through June 1986. The revised data appear on page 5. The revisions were required because of the discovery that a number of unemployment claims of Douglas County residents were being counted in totals for Chelan County. Neither the state unemployment rate nor the overall rate for the Wenatchee labor market area were affected by the revisions.



STATE TOTAL EMPLOYMENT

JANUARY 1981–JUNE 1986



STATE TOTAL UNEMPLOYMENT

JANUARY 1981–JUNE 1986

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN CHELAN AND DOUGLAS COUNTIES

(REVISED OCTOBER '85 THRU JUNE '86)

Chelan County

1986	January	February	March	April	May	June
Civilian Labor Force	24,310	24,070	24,710	25,070	25,120	27,480
Total Employment	20,750	20,640	21,060	21,350	21,770	24,070
Total Unemployment	3,560	3,430	3,650	3,720	3,350	3,410
Percent of Labor Force	14.6	14.3	14.8	14.8	13.3	12.4

Douglas County

1986	January	February	March	April	May	June
Civilian Labor Force	11,410	11,200	11,450	11,730	11,940	13,060
Total Employment	10,090	10,040	10,250	10,390	10,590	11,710
Total Unemployment	1,320	1,160	1,200	1,340	1,350	1,350
Percent of Labor Force	11.6	10.4	10.5	11.4	11.3	10.3

Chelan County

1985	ANNUAL AVERAGE	January	February	March	April	May	June	July	August	September	October	November	December
Civilian Labor Force	26,180	23,690	23,100	23,880	24,910	24,860	26,550	29,020	28,310	31,160	29,240	25,060	24,420
Total Employment	23,140	19,790	19,460	20,500	21,490	21,700	23,810	25,990	25,240	28,900	27,100	22,320	21,430
Total Unemployment	3,040	3,900	3,640	3,380	3,420	3,160	2,740	3,030	3,070	2,260	2,140	2,740	2,990
Percent of Labor Force	11.6	16.5	15.8	14.2	13.7	12.7	10.3	10.4	10.8	7.3	7.3	10.9	12.2

Douglas County

1985	ANNUAL AVERAGE	January	February	March	April	May	June	July	August	September	October	November	December
Civilian Labor Force	12,360	10,890	10,670	11,030	11,450	11,710	12,710	13,800	13,540	14,900	14,030	11,950	11,620
Total Employment	11,260	9,630	9,470	9,970	10,460	10,560	11,590	12,650	12,280	14,060	13,190	10,860	10,430
Total Unemployment	1,100	1,260	1,200	1,060	990	1,150	1,120	1,150	1,260	840	840	1,090	1,190
Percent of Labor Force	8.9	11.6	11.2	9.6	8.6	9.8	8.8	8.3	9.3	5.6	6.0	9.1	10.2

MANUFACTURING INDUSTRIES

Labor Dispute Settled

Lumber employment rose 900 between May and June but was still down 1,100 over the year. The labor dispute, involving up to 4,000 Weyerhaeuser employees, did not affect June estimates since it began after mid-month. The dispute will affect July estimates.

Workers of the major union representing the striking workers accepted a new contract in late July and began returning to work. Weyerhaeuser workers represented by another union involved in the dispute are also expected to ratify a new contract. The new agreement reduces hourly pay about $2.90, with the average falling to around $9.60. Fringe benefits were cut by one dollar an hour. Pay reductions may be moderated, however, by a new profit-sharing plan.

Weyerhaeuser agreed to reopen two mills that are currently closed, which will return 800 workers to their jobs. The company had threatened to close more mills and eliminate hundreds of logging jobs by contracting for logging work if their proposal was not accepted. The settlement is expected to set the pattern for settlements between unions and other lumber companies in Washington and Oregon.

ITT Rayonier Mill Closing

ITT Rayonier is in the process of closing its sawmill in Forks, which will affect 150 workers. Many employees over age 55 will be eligible for early retirement, however, and the company will pay severance benefits averaging $5,700 and contribute to a vocational training program for the terminated workers.

Help for Dislocated Lumber Workers

The Employment Security Department announced in July that it would spend $1 million for training, relocation assistance, and supportive services to assist up to 500 dislocated lumber workers re-enter the work force. The funds for the program were authorized by the Job Training Partnership Act. Most program participants will be from Southwest Washington.

Boeing Forecasts Stable Employment

Aerospace employment rose 500 from May and was up 8,900 over the year in June. In the first half of this year, employment in the industry increased an average of 700 per month. The Boeing Company, which accounts for most of the employment in the industry, has forecast relatively stable employment for the remainder of the year. Even without further job gains, however, there will be considerable hiring to replace workers who retire, quit, or die.

Orders up For Jets

During the first six months of 1986, Boeing said that it took orders for 247 commercial jets valued at $12 billion compared with orders for 77 planes valued at $2.6 billion in the first half of 1985. Boeing, however, expects to take fewer orders in the second half of this year.

New Boeing Jets For President

The Air Force awarded $248.8 million contract in July to The Boeing Company for two 747 airliners to be used by the President. The planes will be delivered in 1988 and 1989.

Another Joint Venture For Boeing

Citing the high cost of developing new aircraft, Boeing announced that it had entered into a second agreement with foreign airplane manufacturers. The agreement with West German and Indonesian companies will explore building an 85 to 100 passenger advanced technology passenger jet. Earlier this year, Boeing signed an agreement with Japanese companies to develop another new aircraft.

ALCOA Strike Ends

Union workers at Wenatchee and Vancouver ALCOA operations approved a new contract in July but not all of them will go back to work. The smelter in Vancouver will remain closed except for the wire melt section, which will employ 70 of the smelter's former 550 workers. The Vancouver smelting operation was less efficient than more modern aluminum smelters.

Strike Begins In Longview

While the ALCOA dispute ended in July, 170 cable plant workers of the Reynolds Metals Company in Longview went on strike after mid-July. The union members rejected the company's contract offer twice. The plant remained open with the help of 80 salaried employees.

Newport Electronics Plant To Close

The Key Tronic Corporation announced that it will close its Newport plant near Spokane October 20 and consolidate its operations in Spokane and Cheney because of declining orders. The firm manufactures keyboards and other computer input equipment. Employment at the Newport facility was 217 in July, according to a news release. Peak employment at the plant was 596 in 1983. The reduction was accomplished through attrition. Many of the remaining employees will be transferred to plants in Spokane and Cheney. A company spokesman said a number of workers volunteered to leave in early July. Those leaving were given one week's pay for each year of service.

Tacoma Boat Wins Contract

Tacoma Boatbuilding Company was awarded its first significant contract since it filed for bankruptcy in September 1985. The firm was awarded a $6 million contract for the partial renovation of an American flag ocean liner. Tacoma Boat will do part of the work in Portland and part in Tacoma. Federal law requires that major structural and engine work on American Flag vessels be done in U.S. shipyards.

NONMANUFACTURING INDUSTRIES

Trade Leads Expansion Thanks to Tourist Business

Retail trade added 4,900 jobs in June to lead the expansion in nonfarm employment. Gains were largely tourist-related, such as at restaurants, other eating/drinking places, and at gasoline stations. Apparel stores also added workers as demand picked up for summer clothing. Garden and building supply stores expanded as usual in June. Wholesale trade moved up 1,700 to augment the expansion on the retail level. Most of the gain occurred at wholesale establishments in Eastern Washington where workers were added to pack and ship the cherry crop. The expansion was partially offset, though, by the strike involving American Telephone and Telegraph workers, some of whom are classified in wholesale trade. The dispute has since been settled.

Construction Work On Upswing

Construction employment added 1,800 workers in June and was up 900 over the year. Partially restraining the expansion was a strike by approximately 200 roofers in the Puget Sound area. The largest gains during the month occurred in residential construction, which is experiencing a resurgence in activity because of the lowest mortgage rates in the 1980's.

Construction activity at Fort Lewis was reported to be brisk, and the outlook is encouraging through 1988. According to the Army Corps of Engineers, nearly $256 million will be spent on construction projects at Fort Lewis and the Yakima Firing Center by the end of September 1988. And that total does not include $207.8 million for construction of the new Madigan Medical Center. The largest current project at the Fort is a 16 building complex for the Special Forces, which is scheduled for completion in 1988. The project is expected to employ 200 workers when it hits its peak.

Hotels-Motels And Recreational Services Expand

Employment in the service industries was boosted by the beginning of the family vacation season in June. The largest beneficiaries were hotels-motels and recreational services. The latter includes amusement parks, carnivals, golf courses, boat houses, and race tracks. Gains, however, were partially offset in June by a seasonal reduction at private schools and colleges at the end of the regular school year.

Government civilian employment rose 1,600 in June. Higher employment was noted at parks, playgrounds, and forests. Summer youth employment programs also started up in June, accounting for several hundred temporary jobs in the public sector. Gains, however, were partially offset by the normal end-of-the-school-year job losses. Education fell 3,700 from May, with most of the loss at colleges and universities where student employment fell. A larger loss in education will occur in July, which will reflect the layoff of bus drivers, cafeteria workers, teacher aides, and other noncertified workers from public schools for the summer. Most teachers, however, are considered employed all year, since they are paid on a 12-month basis.

NATIONAL CONTEXT

Indications Suggest Sluggish Growth

Growth in the nation's economy has slowed and leading indicators point to further sluggishness in the months ahead. The Gross National Product (GNP) rose only 1.1 percent in the second quarter, the weakest increase since 1982. The second quarter estimate was held down by a reduction in inventory accumulation and a jump in the export deficit. Housing and consumer spending, though, remained strong.

Many analysts had expected the decline in the value of the dollar to reduce the trade deficit. Although the dollar's value has dropped about 30 percent against major foreign currencies since February, the deficit has continued to grow. While some economists believe it is still to soon for the impact of the dollar's decline to reduce the deficit, others doubt that it will ever have a major impact. They argue that, while the dollar has dropped in relation to the German mark and Japanese yen, it has not declined against many other foreign currencies. Examples of the latter include currencies of Korea, Taiwan and Canada. U.S. imports from these countries might simply replace those from Europe and Japan.

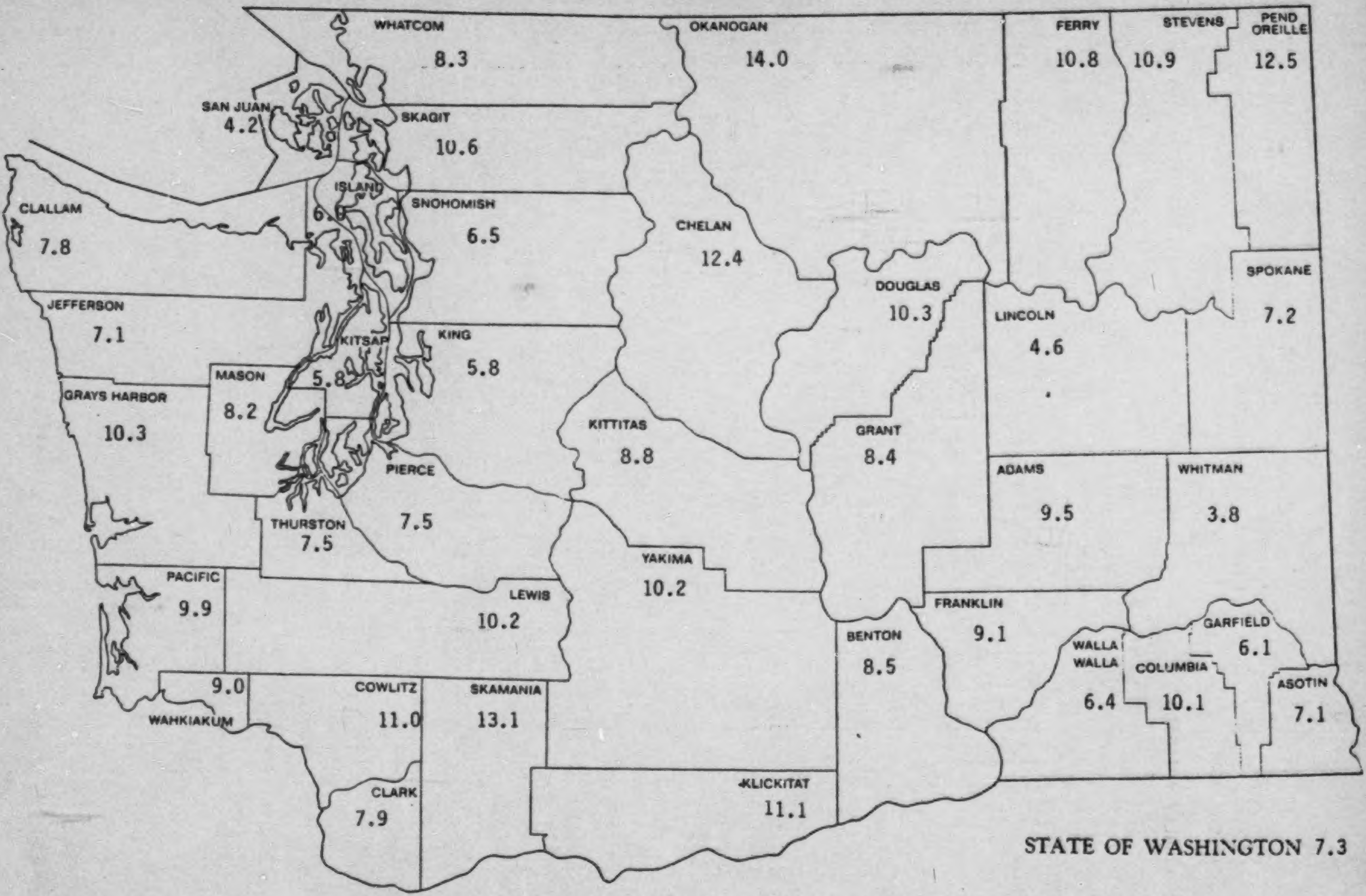
Leading Indicators Up Slightly In June

The Index of Leading Economic Indicators rose a slight 0.3 percent in June following a loss of 0.1 percent in May, which suggests slow growth in the months ahead. Indicators contributing to the gain in June included new orders for consumer goods and plant and equipment, stock prices, sensitive material prices, money supply and building permits. A decrease in outstanding credit, fewer companies reporting slower deliveries from suppliers, and a drop in the average workweek partially offset positive indicators in June.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	June 1986	May 1986	June 1986	June 1986	May 1986
U.S. City Average	327.9	326.3	322.3	1.7	1.6
Seattle-Everett	N/A	323.5	N/A	N/A	0.8


WHATCOM
8.3
OKANOGAN
14.0
FERRY
10.8
STEVENS
10.9
PEND OREILLE
12.5
SAN JUAN
4.2
SKAGIT
10.6
ISLAND
6.8
SNOHOMISH
6.5
CLALLAM
7.8
CHELAN
12.4
DOUGLAS
10.3
SPOKANE
7.2
JEFFERSON
7.1
KITSAP
5.8
KING
5.8
LINCOLN
4.6
MASON
8.2
GRAYS HARBOR
10.3
KITTITAS
8.8
GRANT
8.4
ADAMS
9.5
WHITMAN
3.8
PIERCE
7.5
THURSTON
7.5
YAKIMA
10.2
PACIFIC
9.9
LEWIS
10.2
FRANKLIN
9.1
BENTON
8.5
GARFIELD
6.1
WALLA WALLA
6.4
COLUMBIA
10.1
ASOTIN
7.1
9.0
WAHKIAKUM
COWLITZ
11.0
SKAMANIA
13.1
CLARK
7.9
KLICKITAT
11.1

STATE OF WASHINGTON 7.3

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Jun. 1986 (Prel.)	May. 1986 (Rev.)	Jun. 1985 (Rev.)	May. 1985 (Rev.)	May. 86 to Jun. 86	Jun. 85 to Jun. 86
TOTAL NONAG. WAGE AND SALARY.	1,774.0	1,760.9	1,726.7	1,709.4	+13.1	+47.3
TOTAL MANUFACTURING.........	299.9	299.3	294.0	292.5	+0.6	+5.9
Durable Goods..............	209.2	209.3	204.4	203.3	-0.1	+4.8
Lumber & Wood Products....	38.1	37.2	39.2	38.2	+0.9	-1.1
Furniture & Fixtures......	3.8	3.7	3.7	3.8	+0.1	+0.1
Stone Clay & Glass Prod...	6.4	6.4	6.6	6.5	0.0	-0.2
Primary Metal Industries..	11.4 3/	12.6	12.8	12.8	-1.2	-1.4
Aluminum Prod.& Proc.....	7.3 3/	8.4	8.6	8.7	-1.1	-1.3
Fabricated Metal Prod.....	9.6	9.5	9.5	9.4	+0.1	+0.1
Machinery.................	29.3	29.4	28.7	28.6	-0.1	+0.6
Machinery exc. Elect.....	17.0	17.2	16.2	16.2	-0.2	+0.8
Electrical & Electronic..	12.3	12.2	12.5	12.4	+0.1	-0.2
Transportation Equipment..	96.0	95.7	88.5	88.6	+0.3	+7.5
Aerospace................	84.0	83.5	75.1	74.7	+0.5	+8.9
Other Transp. Equip......	12.0	12.2	13.4	13.9	-0.2	-1.4
Instruments & Rel. Prod...	10.3	10.4	11.0	11.0	-0.1	-0.7
Misc. Manufacturing Ind...	4.3	4.4	4.4	4.4	-0.1	-0.1
Nondurable Goods...........	90.7	90.0	89.6	89.2	+0.7	+1.1
Food & Kindred Products...	31.1	31.1	31.2	30.7	0.0	-0.1
Canned & Preserved Foods.	11.8	12.0	11.5	11.1	-0.2	+0.3
Apparel & Other Text.Prod.	6.3	6.1	5.8	5.9	+0.2	+0.5
Paper & Allied Products...	16.4	16.1	16.2 3/	16.3	+0.3	+0.2
Printing & Publishing.....	17.8	17.6	17.6	17.5	+0.2	+0.2
Chemicals & Allied Prod...	11.4	11.5	11.3	11.2	-0.1	+0.1
Other Nondurable Goods 2/.	7.7	7.6	7.5	7.6	+0.1	+0.2
MINING & QUARRYING..........	3.0	3.0	2.7	2.6	0.0	+0.3
CONSTRUCTION................	84.5 3/	82.7	83.6	80.0	+1.8	+0.9
TRANS.& PUBLIC UTILITIES....	95.5 3/	95.0	94.5 3/	93.1 3/	+0.5	+1.0
WHOLESALE & RETAIL TRADE....	441.0	434.4	425.9	418.7	+6.6	+15.1
Wholesale Trade............	108.2 3/	106.5	107.7	105.5	+1.7	+0.5
Retail Trade...............	332.8	327.9	318.2	313.2	+4.9	+14.6
FIN. INS. & REAL ESTATE.....	104.5	103.4	99.8	98.9	+1.1	+4.7
SERVICES....................	388.8	387.9	376.7	374.9	+0.9	+12.1
Health Services	120.3	119.9	117.3	116.3	+0.4	+3.0
GOVERNMENT..................	356.8	355.2	349.5	348.7	+1.6	+7.3
Federal....................	69.7	69.3	70.8	70.2	+0.4	-1.1
State & Local..............	287.1	285.9	278.7	278.5	+1.2	+8.4
Education.................	151.0	154.7	148.5	151.7	-3.7	+2.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	2.3	0.0	1.3	0.7	+2.3	+1.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/15/86
Benchmark: 1985

(Not Seasonally Adjusted)

	JUNE 1986 PRELIMINARY 1/				MAY 1986 REVISED 1/				JUNE 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,205,400	2,045,100	160,300	7.3	2,155,500	1,997,300	158,200	7.3	2,145,200	1,982,900	162,300	7.6
Bellingham MSA	54,000	49,500	4,500	8.3	53,200	48,800	4,400	8.3	53,400	48,800	4,600	8.6
Bremerton MSA	70,900	66,800	4,100	5.8	70,100	66,200	3,900	5.6	68,600	64,600	4,000	5.8
Olympia MSA	70,500	65,200	5,300	7.5	69,100	64,100	5,000	7.2	67,500	62,400	5,100	7.6
Seattle PMSA	956,400	899,300	57,100	6.0	938,000	881,800	56,200	6.0	924,000	864,800	59,200	6.4
King County 2/	747,300	703,700	43,600	5.8	732,500	689,900	42,600	5.8	722,800	676,700	46,100	6.4
Snohomish County 2/	209,100	195,600	13,500	6.5	205,400	191,800	13,600	6.6	201,100	188,100	13,000	6.5
Spokane MSA	161,900	150,300	11,600	7.2	160,900	149,500	11,400	7.1	163,300	151,700	11,600	7.1
Tacoma PMSA	226,800	209,800	17,000	7.5	224,700	208,000	16,700	7.4	218,700	201,700	17,000	7.8
Tri-Cities MSA	76,100	69,500	6,600	8.7	72,800	66,900	5,900	8.1	72,500	66,100	6,400	8.8
Benton County 2/	57,400	52,500	4,900	8.5	54,900	50,500	4,400	8.0	54,700	49,900	4,800	8.8
Franklin County 2/	18,700	17,000	1,700	9.1	17,900	16,400	1,500	8.4	17,800	16,200	1,600	9.0
Vancouver PMSA	106,000	97,600	8,400	7.9	104,100	96,000	8,100	7.8	102,700	93,900	8,800	8.6
Yakima MSA	101,800	91,400	10,400	10.2	89,300	78,400	10,900	12.2	93,700	84,200	9,500	10.1
Adams	7,770	7,030	740	9.5	7,690	7,060	630	8.2	7,670	7,080	590	7.7
Asotin	8,480	7,880	600	7.1	8,340	7,710	630	7.6	8,120	7,510	610	7.5
Clallam	21,740	20,050	1,690	7.8	21,230	19,290	1,940	9.1	22,270	20,110	2,160	9.7
Columbia	2,370	2,130	240	10.1	2,510	2,280	230	9.2	2,330	2,160	170	7.3
Cowlitz	35,180	31,310	3,870	11.0	34,860	31,300	3,560	10.2	35,040	31,070	3,970	11.3
Ferry	2,860	2,550	310	10.8	2,780	2,430	350	12.6	2,790	2,460	330	11.8
Garfield	1,320	1,240	80	6.1	1,350	1,270	80	5.9	1,340	1,260	80	6.0
Grant	26,930	24,660	2,270	8.4	26,580	24,310	2,270	8.5	26,240	23,280	2,960	11.3
Grays Harbor	26,630	23,880	2,750	10.3	25,980	23,310	2,670	10.3	27,040	24,230	2,810	10.4
Island	16,870	15,860	1,010	6.0	16,470	15,460	1,010	6.1	16,900	15,670	1,230	7.3
Jefferson	7,150	6,640	510	7.1	7,000	6,450	550	7.9	7,000	6,460	540	7.7
Kittitas	11,860	10,820	1,040	8.8	11,580	10,360	1,220	10.5	12,120	11,170	950	7.8
Klickitat	9,270	8,240	1,030	11.1	9,360	8,150	1,210	12.9	8,720	7,730	990	11.4
Lewis	24,640	22,130	2,510	10.2	24,110	21,670	2,440	10.1	25,160	22,500	2,660	10.6
Lincoln	5,000	4,770	230	4.6	4,970	4,730	240	4.8	5,230	5,010	220	4.2
Mason	12,830	11,780	1,050	8.2	12,680	11,600	1,080	8.5	12,350	11,490	860	7.0
Okanogan	14,150	12,170	1,980	14.0	13,320	11,360	1,960	14.7	14,840	12,880	1,960	13.2
Pacific	7,090	6,390	700	9.9	6,900	6,220	680	9.9	7,240	6,380	860	11.9
Pend Oreille	3,680	3,220	460	12.5	3,570	3,080	490	13.7	3,770	3,150	620	16.4
San Juan	5,020	4,810	210	4.2	4,460	4,210	250	5.6	5,140	4,920	220	4.3
Skagit	30,900	27,640	3,260	10.6	30,470	27,170	3,300	10.8	31,820	28,370	3,450	10.8
Skamania	2,360	2,050	310	13.1	2,390	2,020	370	15.5	2,590	2,180	410	15.8
Stevens	12,000	10,690	1,310	10.9	11,780	10,400	1,380	11.7	12,370	10,970	1,400	11.3
Wahkiakum	1,330	1,210	120	9.0	1,330	1,200	130	9.8	1,440	1,330	110	7.6
Walla Walla	25,920	24,260	1,660	6.4	25,840	24,110	1,730	6.7	25,100	23,650	1,450	5.8
Wenatchee Labor Area	40,540	35,790	4,750	11.7	37,060	32,360	4,700	12.7	39,250	35,400	3,850	9.8
Chelan County 2/3/	27,480	24,070	3,410	12.4	25,120	21,770	3,350	13.3	26,550	23,810	2,740	10.3
Douglas County 2/3/	13,060	11,710	1,350	10.3	11,940	10,590	1,350	11.3	12,710	11,590	1,120	8.8
Whitman	17,050	16,400	650	3.8	18,880	18,230	650	3.4	16,890	16,320	570	3.4

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
3/ Series revised. Information available upon request.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

8/15/86
Benchmark: 1985

(Not Seasonally Adjusted)

	JUNE 1986 PRELIMINARY 1/				MAY 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2233200	2060600	172600	7.7	2182800	2018600	164200	7.5
Bellingham MSA	54700	49900	4800	8.8	53800	49300	4500	8.4
Bremerton MSA	71700	67300	4400	6.1	71100	67000	4100	5.8
Olympia MSA	71400	65700	5700	8.0	69900	64700	5200	7.4
Seattle PMSA	967600	906100	61500	6.4	949600	891200	58400	6.1
King County 2/	756000	709000	47000	6.2	741500	697300	44200	6.0
Snohomish County 2/	211600	197100	14500	6.9	208100	193900	14200	6.8
Spokane MSA	164000	151500	12500	7.6	162900	151100	11800	7.2
Tacoma MSA	229700	211400	18300	8.0	227500	210200	17300	7.6
Tri-Cities MSA	77200	70100	7100	9.2	73700	67600	6100	8.3
Benton County 2/	58200	52900	5300	9.1	55600	51000	4600	8.3
Franklin County 2/	19000	17200	1800	9.5	18200	16600	1600	8.8
Vancouver PMSA	107400	98400	9000	8.4	105400	97000	8400	8.0
Yakima MSA	103200	92000	11200	10.9	90500	79200	11300	12.5
Adams	7880	7080	800	10.2	7800	7140	660	8.5
Asotin	8580	7940	640	7.5	8440	7790	650	7.7
Clallam	22020	20200	1820	8.3	21500	19490	2010	9.3
Columbia	2400	2150	250	10.4	2540	2300	240	9.4
Cowlitz	35720	31550	4170	11.7	35320	31630	3690	10.4
Ferry	2910	2570	340	11.7	2820	2460	360	12.8
Garfield	1340	1250	90	6.7	1370	1280	90	6.6
Grant	27280	24840	2440	8.9	26930	24570	2360	8.8
Grays Harbor	27030	24060	2970	11.0	26330	23560	2770	10.5
Island	17060	15980	1080	6.3	16680	15630	1050	6.3
Jefferson	7240	6690	550	7.6	7090	6520	570	8.0
Kittitas	12020	10900	1120	9.3	11740	10470	1270	10.8
Klickitat	9410	8300	1110	11.8	9500	8240	1260	13.3
Lewis	24990	22290	2700	10.8	24430	21900	2530	10.4
Lincoln	5050	4800	250	5.0	5030	4780	250	5.0
Mason	13010	11870	1140	8.8	12840	11720	1120	8.7
Okanogan	14390	12260	2130	14.8	13510	11480	2030	15.0
Pacific	7190	6440	750	10.4	6990	6290	700	10.0
Pend Oreille	3730	3240	490	13.1	3620	3110	510	14.1
San Juan	5080	4850	230	4.5	4520	4260	260	5.8
Skagit	31360	27850	3510	11.2	30890	27460	3430	11.1
Skamania	2390	2060	330	13.8	2420	2040	380	15.7
Stevens	12180	10770	1410	11.6	11940	10510	1430	12.0
Wahkiakum	1350	1220	130	9.6	1350	1220	130	9.6
Walla Walla	26230	24440	1790	6.8	26170	24370	1800	6.9
Wenatchee Labor Area	41180	36060	5120	12.4	37580	32710	4870	13.0
Chelan County 2/3/	27930	24260	3670	13.1	25470	22000	3470	13.6
Douglas County 2/3/	13250	11800	1450	10.9	12110	10710	1400	11.6
Whitman	17220	16520	700	4.1	19100	18430	670	3.5

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
3/ Series revised. Information available upon request.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	June 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun-86	May-86	Jun-86	Jun-86	May-86	Jun-86	Jun-86	May-86	Jun-86
TOTAL MANUFACTURING INDUSTRIES*	180,200	$464.53	$470.82	$462.51	39.4	39.9	39.7	$11.79	$11.80	$11.65
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products**	33,600	$409.84	$464.11	$480.70	35.7	39.6	40.6	$11.48	$11.72	$11.84
Primary Metal Industries**	8,800	$523.33	$532.55	$511.68	41.9	41.9	40.1	$12.49	$12.71	$12.76
Fabricated Metal Products	7,400	$442.75	$458.34	$449.95	38.3	40.1	39.4	$11.56	$11.43	$11.42
Machinery	16,600	$400.60	$384.15	$396.42	39.9	39.4	40.7	$10.04	$9.75	$9.74
Food and Kindred Products	23,100	$365.57	$348.19	$357.95	38.2	37.4	37.6	$9.57	$9.31	$9.52
Chemical and Allied Products	5,000	$554.96	$587.30	$569.42	38.7	42.1	41.9	$14.34	$13.95	$13.59
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	62,600	$585.86	$582.25	$604.26	36.8	36.3	37.3	$15.92	$16.04	$16.20
Wholesale and Retail Trade	271,400	$324.45	$318.74	$326.53	34.7	34.2	35.3	$9.35	$9.32	$9.25

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

10/10/86 S 8340-3

JOB SERVICE

Washington State
Employment Security Department
Isiah Turner, *Commissioner*

Prepared by the
Labor Market and
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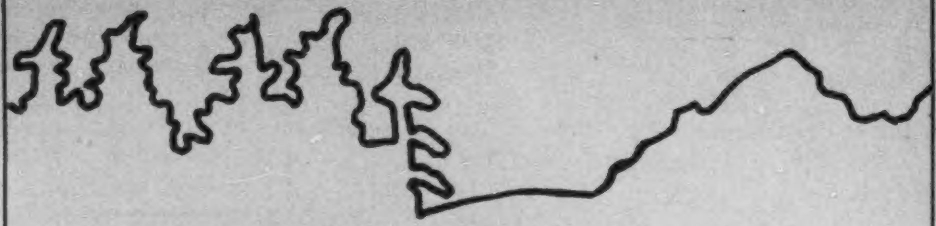
In cooperation with
the Employment and
Training Administration
U.S. Department of Labor



Washington Labor Market

Volume 10, Number 8 August 1986

HIGHLIGHTS

Employment Down Seasonally

Total employment in Washington State slipped 2,000 between June and July largely because of the layoff of noncertificated public school employees (bus drivers, cafeteria workers, teacher aides, etc.) for the summer. The nonagricultural wage and salary series recorded a sharper loss over the month (down 17,000) as labor disputes in the lumber industry augmented the job losses in education. Seasonal cutbacks were also noted in private education and food processing. These losses were partially offset by further growth in aerospace payrolls and seasonal gains in construction

	July 1986* (Prel.)	June 1986* (Rev.)	July 1985
Civilian Labor Force	2,213,200	2,207,200	2,110,000
Total Employment	2,044,300	2,046,300	1,946,600
Total Unemployment	168,900	160,900	163,400
State Unemployment Rate	7.6	7.3	7.7
National Civilian Unemployment Rate	7.0	7.3	7.4

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

and most other nonmanufacturing industries. Despite the June-July losses, the number of nonfarm jobs in the state was up 47,500 over the year.

Unemployment Rate Up From 7.3 to 7.6 Percent

Job losses pushed total unemployment in the state up from 160,900 and 7.3 percent of the labor force in June to 168,900 and 7.6 percent in July. The number of unemployed workers was up 5,500 over the year in July, but the rate remained slightly lower than in July 1985 (7.7 percent) because of growth in the labor force.

Employment and Unemployment Both Up After Seasonal Adjustment

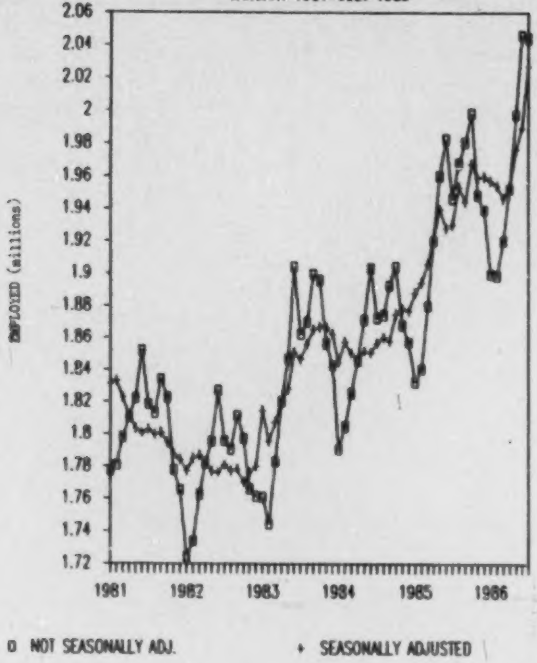
After seasonal adjustment, the state's jobless rate edged up from 7.7 to 7.8 percent between June and July. The adjusted rate has been flat since February, fluctuating between 7.6 and 7.8 percent. Total employment, on the other hand, advanced in July for the fifth consecutive month (see chart on page 3). As suggested in last month's report, a relatively buoyant economy is apparently attracting more people into (or back into) the job market. Thus, the unemployment rate is remaining stable despite employment growth.

Around the State

Labor force data by county indicate unemployment rates advanced in most areas of the state in July. Skagit County was an exception. The jobless rate for the area fell from 10.5 percent in June to 9.6 percent in July. The number of unemployed workers in the county edged up slightly (up 130), but total employment jumped nearly 4,100 because of berry and vegetable harvests and related processing activity. In contrast, agriculture and food processing activity in eastern Washington dipped in July. The asparagus harvest was completed by mid-July, while the cherry harvest was nearing completion. As a result, unemployment rates east of the Cascades rose from 8.7 to 9.6 percent between June and July. In western Washington the rate moved up more moderately, from 6.8 to 7.1 percent.

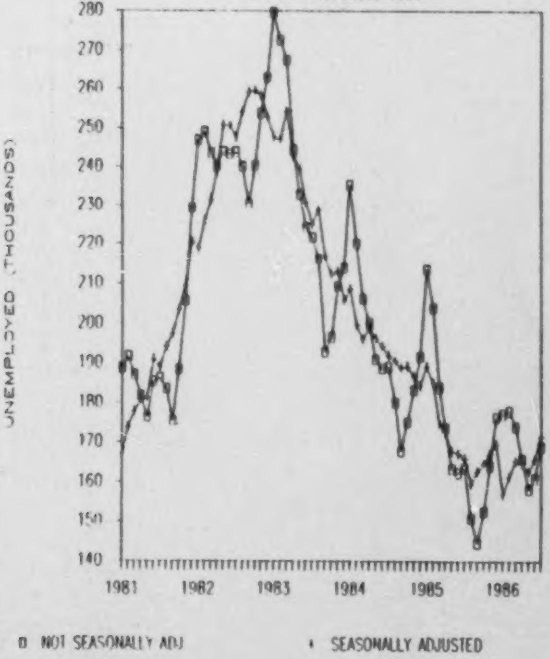
Unemployment in the state's metropolitan areas also rose moderately over the month, from 6.9 to 7.2 percent, but there was considerable variation by area.

In the Seattle Metropolitan Area which benefits considerably from summer tourist activity, the jobless rate edged up from 6.0 to 6.1 percent. The largest increase among metropolitan areas was in Yakima where the rate jumped from 10.2 to 13.1 percent following a seasonal lull in agriculture. The rate in Spokane followed the statewide pattern and increased from 7.1 to 7.4 percent. The increase in the Tacoma area, however, was twice as great (7.5 to 8.1 percent) because of layoffs in machinery where work was being completed on a contract for oil field modules for Alaska.



STATE TOTAL EMPLOYMENT

JANUARY 1981–JULY 1986



STATE TOTAL UNEMPLOYMENT

JANUARY 1981 - JULY 1986

MANUFACTURING INDUSTRIES

Manufacturing employment fell 3,300 between June and July. Major changes were a drop of 3,000 in lumber due to the labor dispute involving Weyerhaeuser logging and sawmill workers which has since been settled; a loss of 1,000 in nonelectrical machinery resulting from the near completion of work on a single contract; and a seasonal loss of 1,200 in food products where work on the asparagus crop was completed. The only sizable gain was credited to aerospace which rose 1,300 to continue its expansion.

Weyerhaeuser Strike Ends

The labor dispute involving over 3,000 Weyerhaeuser loggers and sawmill workers ended in the last week of July when union workers accepted a $2.90 reduction in hourly pay and $1.00 per hour cut in fringe benefits. A new profit sharing plan may moderate the pay reductions, but the terms of the agreement are likely to set the pattern for settlements between unions and other lumber companies in the Northwest.

Impact of Settlement on Economy Uncertain

The effect of the pay reduction on the state's economy is far from certain. Large lumber firms with union workers argue that they need lower labor costs in order to compete with nonunion operations and with Canadian producers who have a cost advantage because of the relatively low value of the Canadian dollar versus the U.S. dollar. U.S. lumber firms also maintain that the Canadian government subsidizes Canadian producers by selling them timber harvesting rights at unrealistically low prices.

Whether true or not, domestic lumber production has declined substantially in recent years while imports from Canada have increased dramatically. Between 1977 and 1985, softwood lumber consumption in the U.S. rose slightly over eight percent but softwood imports from Canada jumped 40 percent. By contrast, softwood lumber production in the western United States fell ten percent since 1977. In western Washington alone softwood lumber production dropped 18 percent from 1977 with a 15 percent cutback coming since 1983 alone. The loss of lumber jobs has been even larger as domestic mills attempted to meet Canadian competition through automation. In Washington State, employment in the lumber industry dropped from 54,000 in 1977 to 37,900 in 1985, a loss of nearly 30 percent.

If current wage concessions spread to other unionized lumber firms in the state, as is likely, the average wage in the industry for production workers can be expected to drop about 11.5 percent, from $11.72 to $10.37 per hour (including overtime pay). The effect on the state's economy, however, will depend on the change in total earnings. If the lower wage rate results in domestic mills recapturing some of the business lost to Canadian producers in recent years, employment and hours worked would increase. This would reduce the impact on total earnings of the hourly wage reductions.

Aluminum Workers Back to Work

The labor dispute involving ALCOA workers was settled on July 10, 1986. The new contract reduced benefits but not hourly pay. The Vancouver smelter with over 400 employees, however, will remain closed. The plant was relatively inefficient compared to more modern smelters. Workers at ALCOA's Wenatchee smelter were returning to work but not all were back in time to be counted in the mid-July estimating period.

New Contract At Reynolds

The dispute at the Reynolds Metals Company's cable plant in Longview was settled in mid-August. The 170 union workers accepted a contract they had previously rejected twice. The three-year agreement contained no pay raise and benefits were cut 36 cents an hour. The firm agreed to "review" wages and benefits after 18 months.

Aerospace Continues To Add Workers

Employment in aerospace, the state's largest manufacturing industry with over 85,000 workers, continued to advance in July with a gain of 1,300. Over the year, employment in the industry was up 9,300. Moreover, while the expansion pace of the past year is unlikely to be maintained, the outlook for the industry remains bright.

Boeing Gets Biggest Order Yet

In August, The Boeing Company announced an order from British Airways for as many as 28 long-range jetliners. The value of the contract could reach $4.1 billion and would be the largest order in the history of commercial aviation. The order was for 16 jets with options for 12 more. The first 16 aircraft would be delivered in 1989 and 1990. If British Airways exercises its options, the additional planes would be delivered from 1991 through 1994. A Boeing spokesman said that the order would probably not require the company to hire additional workers but that it would keep the present employees working through the early 1990's.

Space Work Slows

Despite the record order for commercial jetliners, Boeing Aerospace Company said that up to 1,000 engineers and other workers might be laid off or reassigned by the end of the year because of a slowdown in the nation's space program. The slowdown was blamed on the explosion of the Challenger last January. Boeing Aerospace Company builds spacecraft, missiles, and electronic warfare systems.

Labor Negotiations Begin At Boeing

Negotiations began in early August between The Boeing Company and the International Association of Machinists. The current contract covering about 28,000 Boeing employees expires October 3, 1986. Union leaders expect to ask Boeing to eliminate its two-tier wage system which the union accepted in 1983 when the company was laying workers off. Under the current contract, new employees are paid lower wages than existing employees doing the same jobs. In addition, salary increases were replaced with a lump-sum bonus system which is not calculated into base pay.

More Wage Cuts Proposed

In other manufacturing industries, employment in food products fell 1,200 between June and July as processing plants finished up the asparagus crop. Employment in the industry, though, will rise again when work begins on summer vegetables. Nonelectrical machinery payrolls dropped 1,000 in July as work was nearly completed on modules for the Alaska Oil fields. New contracts for modules are not expected because of the drop in oil prices and resulting retrenchment in the industry. "Other transportation equipment" payrolls fell 400 in July as shipbuilding employment continued to decline. Contract negotiations were underway in August between Lockheed Shipbuilding and 10 unions representing its workers. Lockheed is proposing a $3 per hour wage cut which it says it needs to compete successfully with shipyards in other parts of the country where wages are lower. The shipyard now employees 900 production workers compared with 2,200 three years ago, according to news reports.

NONMANUFACTURING INDUSTRIES

Construction Up Seasonally But Little Growth Over The Year

Construction employment added 2,100 workers in July to continue its seasonal advance. Over the year, however, employment in the building trades was up only 800 despite sharply lower interest rates this year. Nationally, housing starts in July were estimated at a seasonally adjusted annual rate of 1.8 million units, up nearly nine percent from one year ago but down from the 2.0 million rate earlier this year. Analysts suggest much of the pent up demand for single family houses has been met. Another factor behind the decline is higher new home prices. The average price of a new house in June at $111,000 was up 11 percent over the year. Multifamily housing starts have also been declining in recent months because of rising vacancy rates and the pending tax reform bill which removes many tax advantages in real estate investments.

End Of Strike Boosts Wholesale Trade

Wholesale trade rose 2,500 in July helped by the settlement of a labor dispute which returned about 1,000 workers to their jobs. All of the increase was in durable goods wholesaling. Employment dropped at fruit and vegetable warehouses with the end of the asparagus harvest and the near completion of the cherry harvest. Summer crops will boost employment in subsequent months.

Summer Lull In Retail Trade But Job Total Up Substantially Over The Year

Retail trade was unchanged between June and July, which is fairly typical in the industry following substantial spring growth. This year employment at retail outlets rose 18,000 between February and June; and in July, retail trade employment was up 15,000 over the year to lead all industries in year-to-year growth. One factor limiting growth in July was a decline at firms which contract with schools and colleges to provide food services during the regular school year. Retail trade will resume its seasonal expansion in August and September when county fairs boost food service payrolls.

Growth In Retail Trade Led By Grocery Stores And Eating-Drinking Places

A major factor in the over-the-year expansion in retail trade has been growth in food store payrolls which have accounted for one-third of the new jobs. Reasons for the expansion are the extension of hours at food stores to 24 hour operations, in many cases, and the addition of more nonfood items and services once provided only by other industries. Included are clothing, electronic devices, salad bars, film processing, check cashing, etc.

Employment at eating and drinking places grew even more rapidly than at food stores over the past year, accounting for 45 percent of the new jobs in retail trade. Eating and drinking places include restaurants of all types, including cafeterias, fast food restaurants, sit-down eating places as well as establishments selling beverages for on-site consumption. Growth in eating and drinking places has been attributed to the increased incidence of working women, two income families, persons who live alone and the growing preference for leisure time.

Retail trade led all industries in employment growth over the year, accounting for three out of every ten new nonfarm jobs. It should be noted, however, that many of these jobs are part time and pay is relatively low. State data are not available, but according to national data one out of every three retail trade workers was employed part time in 1985 and average weekly earnings for these workers was 58 percent of that for all private nonagricultural wage and salary workers.

Schools Out Government Payrolls Down

The end of the regular school year resulted in the usual layoff of thousands of bus drivers, cafeteria workers, teaching aides and other noncertificated public school employees for the summer. (Certificated teachers are paid on a twelve-month basis and are considered employed during the summer.) Employment in public education fell 26,600 as a result. The loss in government, however, was pared to 20,400 by the hiring of summer workers for parks, forests, playgrounds, etc. In addition, government payrolls were boosted by summer employment programs for disadvantage youth. Nearly 6,000 youth were enrolled in these programs in July.

NATIONAL DEVELOPMENTS

Slow Ahead

The national economy is continuing to lumber along at a lackluster pace. Lackluster or not, the direction is still up. Considering the length of the current recovery, a lower growth rate is to be expected. The Gross National Product (GNP) which rose at a healthy annual rate of 3.8 percent in the first quarter dropped to an increase of only 0.6 percent in the second quarter. The major weakness was in the industrial sector where production has declined since January. Consumer spending has increased but so have imports despite the decline in the value of the dollar.

Forecasts Wrong

The slowdown in the economy is in marked contrast to forecasts by many economists earlier this year who were predicting strong growth based on the sharp decline in energy prices and in the value of the dollar. Here in Washington State we were also encouraged by prospects for growth in aerospace and the impact of EXPO '86 in Vancouver, B.C. Aerospace has expanded at least as well as expected through July, and out-of-state tourists are passing through the state in record numbers on their way to EXPO. They are purchasing gasoline, meals, and lodging on their way as expected. However, EXPO has not been a net gain, entirely. Many Washington residents who would have spent their vacation dollars in this state, spent them in Vancouver, B.C. instead.

Tax Reform Delays Investments

One factor behind the slowdown nationally was the tax reform proposal which caused businesses and other taxpayers to delay some investments decisions until they could assess its impact on their plans. With the provisions of tax reform now understood and passage by Congress all but certain, they can now move ahead. In addition, the decline in the value of the dollar will lower imports and boost exports but the lag time is greater than most analysts first thought.

Leading Indicators Advance

One positive development was the Index of Leading Economic Indicators which rose 1.1 percent in July to suggest growth may pick up in subsequent months. The increase was the largest since April but analysts cautioned against attaching too much significance to the one-month gain noting that it followed two declines. The Index fell 0.1 percent in May and 0.4 percent in June.

Another reason to view the July increase with caution was the results of the July survey of purchasing agents. That survey reflected a faltering economy in July, with new orders, inventory levels, employment and production all down. The Index fell to 46.7 percent in July, down from 49.6 percent in June. A reading below 50 percent generally indicates the economy is in a declining phase.

REDESIGNED AND EXPANDED LABOR AREA SUMMARIES

As part of our ongoing efforts to make labor market information more useful and accessible, some major changes have been made in the Washington State Labor Area Summary reports for metropolitan areas:

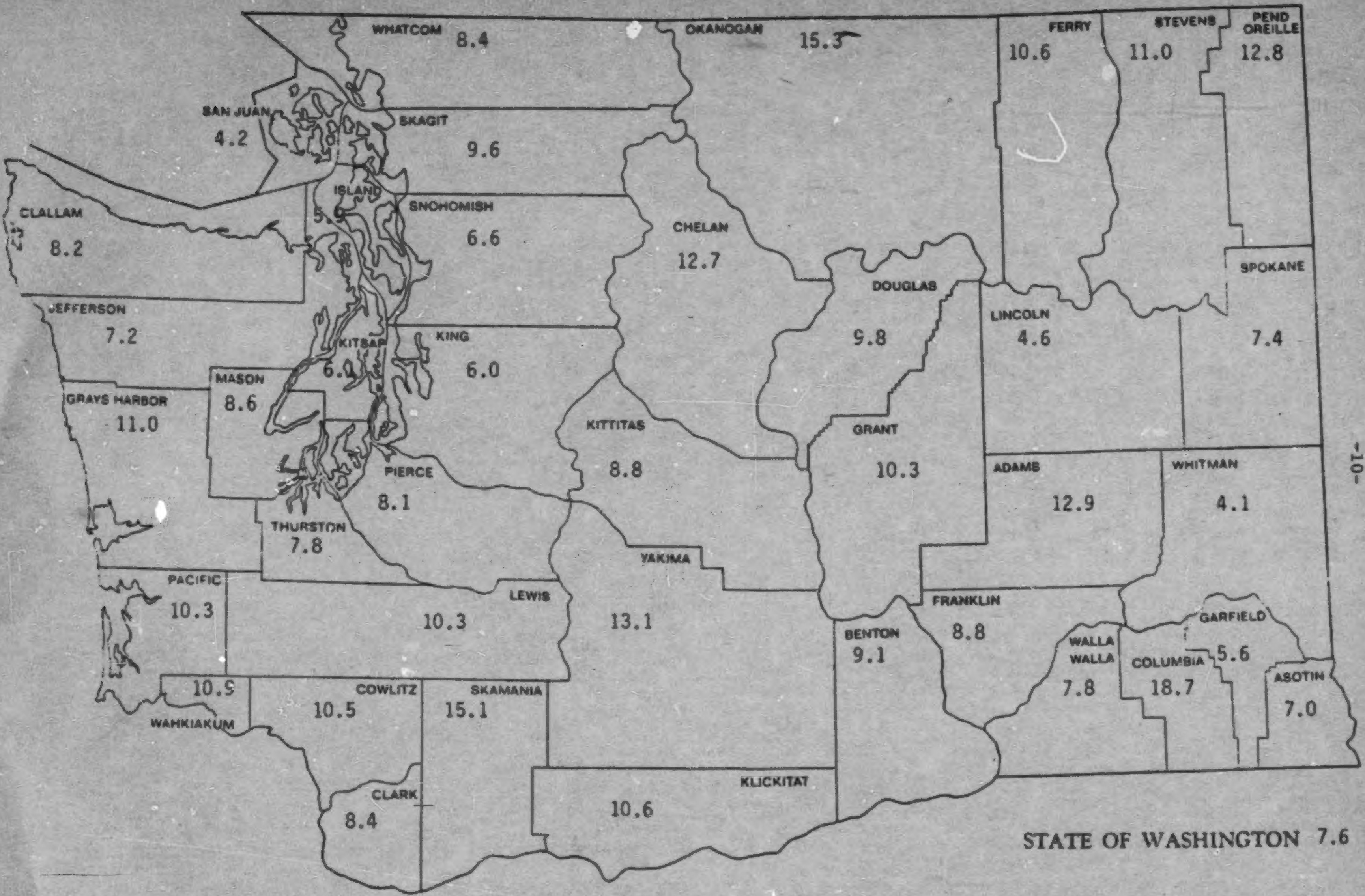
- Monthly reports will be prepared for three additional metropolitan areas. They are Bellingham, Bremerton, and Olympia.
- As a regular item, each issue will include a feature article dealing with a labor market or economic subject.
- The "Highlights" sections have been expanded to allow more in-depth narrative analysis of the statistical data.
- New tables have been added providing monthly unemployment insurance claims data and labor force information for each metropolitan area.

Individuals or organizations who wish to be on the regular mailing list for the Labor Area Summaries should contact Lois Haynes at (206) 438-4800.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	July 1986	June 1986	July 1985	July 1986	June 1986
U.S. City Average	328.0	327.9	322.8	1.6	1.7
Seattle-Everett	323.7	N/A	322.0	0.5	N/A


WHATCOM
8.4
OKANOGAN
15.3
FERRY
10.6
STEVENS
11.0
PEND OREILLE
12.8
SAN JUAN
4.2
SKAGIT
9.6
ISLAND
5.9
CLALLAM
8.2
SNOHOMISH
6.6
CHELAN
12.7
DOUGLAS
9.8
SPOKANE
7.4
LINCOLN
4.6
JEFFERSON
7.2
KITSAP
6.1
KING
6.0
MASON
8.6
GRAYS HARBOR
11.0
KITTITAS
8.8
GRANT
10.3
ADAMS
12.9
WHITMAN
4.1
PIERCE
8.1
THURSTON
7.8
YAKIMA
13.1
PACIFIC
10.3
LEWIS
10.3
FRANKLIN
8.8
GARFIELD
5.6
BENTON
9.1
WALLA WALLA
7.8
COLUMBIA
18.7
ASOTIN
7.0
10.9
WAHKIAKUM
COWLITZ
10.5
SKAMANIA
15.1
CLARK
8.4
KLICKITAT
10.6

STATE OF WASHINGTON 7.6

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Jul. 1986 (Prel.)	Jun. 1986 (Rev.)	Jul. 1985 (Rev.)	Jun. 1985 (Rev.)	Jun. 86 to Jul. 86	Jul. 85 to Jul. 86
TOTAL NONAG. WAGE AND SALARY.	1,758.1	1,775.1	1,710.6	1,726.7	-17.0	+47.5
TOTAL MANUFACTURING.........	296.2	299.5	295.9	294.0	-3.3	+0.3
Durable Goods..............	206.3	209.0	204.7	204.4	-2.7	+1.6
Lumber & Wood Products....	34.9 3/	37.9	39.2	39.2	-3.0	-4.3
Furniture & Fixtures......	3.7	3.8	3.6	3.7	-0.1	+0.1
Stone Clay & Glass Prod...	6.5	6.4	6.7	6.6	+0.1	-0.2
Primary Metal Industries..	11.5 3/	11.4 3/	12.8	12.8	+0.1	-1.3
Aluminum Prod.& Proc......	7.5 3/	7.3 3/	8.6	8.6	+0.2	-1.1
Fabricated Metal Prod.....	9.7	9.5	9.8	9.5	+0.2	-0.1
Machinery.................	28.3	29.3	28.5	28.7	-1.0	-0.2
Machinery exc. Elect......	16.0	17.0	16.2	16.2	-1.0	-0.2
Electrical & Electronic..	12.3	12.3	12.3	12.5	0.0	0.0
Transportation Equipment..	96.9	96.0	88.8	88.5	+0.9	+8.1
Aerospace.................	85.3	84.0	76.0	75.1	+1.3	+9.3
Other Transp. Equip......	11.6	12.0	12.8	13.4	-0.4	-1.2
Instruments & Rel. Prod...	10.4	10.3	11.0	11.0	+0.1	-0.6
Misc. Manufacturing Ind...	4.4	4.4	4.3	4.4	0.0	+0.1
Nondurable Goods...........	89.9	90.5	91.2	89.6	-0.6	-1.3
Food & Kindred Products...	29.9	31.1	32.1	31.2	-1.2	-2.2
Canned & Preserved Foods.	10.4	11.8	12.4	11.5	-1.4	-2.0
Apparel & Other Text.Prod.	6.5	6.3	6.1	5.8	+0.2	+0.4
Paper & Allied Products...	16.8	16.4	16.5 3/	16.2 3/	+0.4	+0.3
Printing & Publishing.....	17.6	17.7	17.5	17.6	-0.1	+0.1
Chemicals & Allied Prod...	11.5	11.4	11.4	11.3	+0.1	+0.1
Other Nondurable Goods 2/.	7.6	7.6	7.6	7.5	0.0	0.0
MINING & QUARRYING..........	2.9	2.9	2.9	2.7	0.0	0.0
CONSTRUCTION................	86.8	84.7 3/	86.0	83.6	+2.1	+0.8
TRANS.& PUBLIC UTILITIES....	96.4	95.6 3/	96.0	94.5 3/	+0.8	+0.4
WHOLESALE & RETAIL TRADE....	443.9	441.4	425.7	425.9	+2.5	+18.2
Wholesale Trade...........	110.5	108.0 3/	107.3	107.7	+2.5	+3.2
Retail Trade..............	333.4	333.4	318.4	318.2	0.0	+15.0
FIN. INS. & REAL ESTATE.....	105.3	104.5	100.4	99.8	+0.8	+4.9
SERVICES....................	389.7	389.2	376.7	376.7	+0.5	+13.0
Health Services	121.1	120.2	117.6	117.3	+0.9	+3.5
GOVERNMENT..................	336.9	357.3	327.0	349.5	-20.4	+9.9
Federal....................	70.2	69.9	71.6	70.8	+0.3	-1.4
State & Local..............	266.7	287.4	255.4	278.7	-20.7	+11.3
Education.................	124.2	150.8	118.0	148.5	-26.6	+6.2
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	3.5	2.3	0.4	1.3	+1.2	+3.1

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 9/03/86
Benchmark: 1985

	July 1986 PRELIMINARY 1/				June 1986 REVISED 1/				July 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,213,200	2,044,300	168,900	7.6	2,207,200	2,046,300	160,900	7.3	2,110,000	1,946,600	163,400	7.7
Bellingham MSA	54,800	50,200	4,600	8.4	[illegible]	49,400	4,500	8.3	55,400	50,700	4,700	8.5
Bremerton MSA	71,700	67,300	4,400	6.1	71,000	66,900	4,100	5.8	67,800	63,900	3,900	5.8
Olympia MSA	72,000	66,400	5,600	7.8	70,200	64,900	5,300	7.5	66,200	61,000	5,200	7.9
Seattle PMSA	972,800	913,200	59,600	6.1	957,000	899,700	57,300	6.0	913,300	854,800	58,500	6.4
King County 2/	760,200	714,600	45,600	6.0	747,800	704,000	43,800	5.9	713,700	668,900	44,800	6.3
Snohomish County 2/	212,700	198,700	14,000	6.6	209,200	195,700	13,500	6.5	199,700	186,000	13,700	6.9
Spokane MSA	161,100	149,200	11,900	7.4	162,500	150,900	11,600	7.1	158,500	146,900	11,600	7.3
Tacoma PMSA	230,700	212,100	18,600	8.1	227,500	210,500	17,000	7.5	218,500	201,300	17,200	7.9
Tri-Cities MSA	70,200	63,800	6,400	9.1	76,200	69,600	6,600	8.7	68,400	61,700	6,700	9.8
Benton County 2/	53,000	48,200	4,800	9.1	57,400	52,500	4,900	8.5	51,600	46,600	5,000	9.7
Franklin County 2/	17,100	15,600	1,500	8.8	18,700	17,000	1,700	9.1	16,800	15,100	1,700	10.1
Vancouver PMSA	105,400	96,500	8,900	8.4	105,700	96,900	8,800	8.3	100,800	92,300	8,500	8.4
Yakima MSA	91,000	79,100	11,900	13.1	101,600	91,200	10,400	10.2	88,100	77,200	10,900	12.4
Adams	7,360	6,410	950	12.9	7,740	7,000	740	9.6	6,480	5,800	680	10.5
Asotin	8,620	8,020	600	7.0	8,490	7,890	600	7.1	7,480	6,920	560	7.5
Clallam	22,670	20,800	1,870	8.2	21,780	20,060	1,720	7.9	21,940	19,720	2,220	10.1
Columbia	1,710	1,390	320	18.7	2,370	2,130	240	10.1	1,860	1,670	190	10.2
Cowlitz	34,910	31,240	3,670	10.5	35,150	31,400	3,750	10.7	34,120	30,110	4,010	11.8
Ferry	2,840	2,540	300	10.6	2,870	2,550	320	11.1	2,640	2,330	310	11.7
Garfield	1,250	1,180	70	5.6	1,330	1,250	80	6.0	1,120	1,060	60	5.4
Grant	26,530	23,810	2,720	10.3	27,130	24,850	2,280	8.4	24,050	21,390	2,660	11.1
Grays Harbor	27,140	24,160	2,980	11.0	26,710	23,960	2,750	10.3	26,380	23,490	2,890	11.0
Island	16,390	15,420	970	5.9	16,860	15,860	1,000	5.9	16,420	15,230	1,190	7.2
Jefferson	7,360	6,830	530	7.2	7,140	6,640	500	7.0	7,020	6,470	550	7.8
Kittitas	11,090	10,110	980	8.8	11,880	10,830	1,050	8.8	10,570	9,690	880	8.3
Klickitat	9,180	8,210	970	10.6	9,270	8,240	1,030	11.1	8,400	7,520	880	10.5
Lewis	24,750	22,190	2,560	10.3	24,640	22,140	2,500	10.1	24,260	21,530	2,730	11.3
Lincoln	4,760	4,540	220	4.6	5,010	4,770	240	4.8	4,410	4,220	190	4.3
Mason	13,210	12,070	1,140	8.6	12,840	11,780	1,060	8.3	12,630	11,570	1,060	8.4
Okanogan	14,920	12,640	2,280	15.3	14,200	12,200	2,000	14.1	15,070	12,920	2,150	14.3
Pacific	7,770	6,970	800	10.3	7,030	6,380	650	9.2	7,270	6,390	880	12.1
Pend Oreille	3,590	3,130	460	12.8	3,680	3,220	460	12.5	3,680	3,120	560	15.2
San Juan	5,480	5,250	230	4.2	5,030	4,820	210	4.2	5,700	5,490	210	3.7
Skagit	35,120	31,750	3,370	9.6	30,900	27,660	3,240	10.5	34,280	30,890	3,390	9.9
Skamania	2,380	2,020	360	15.1	2,410	2,090	320	13.3	2,340	1,990	350	15.0
Stevens	12,000	10,680	1,320	11.0	12,040	10,730	1,310	10.9	11,390	10,170	1,220	10.7
Wahkiakum	1,290	1,150	140	10.9	1,330	1,210	120	9.0	1,320	1,190	130	9.8
Walla Walla	24,530	22,610	1,920	7.8	25,950	24,270	1,680	6.5	23,870	22,330	1,540	6.5
Wenatchee Labor Area	40,570	35,800	4,770	11.8	40,850	36,090	4,760	11.7	42,800	38,630	4,170	9.7
Chelan County 2/	27,590	24,090	3,500	12.7	27,690	24,280	3,410	12.3	29,020	25,990	3,030	10.4
Douglas County 2/	12,990	11,720	1,270	9.8	13,160	11,810	1,350	10.3	13,800	12,650	1,150	8.3
Whitman	16,300	15,630	670	4.1	17,050	16,400	650	3.8	15,460	14,970	490	3.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

8/27/86
Benchmark: 1985

	July 1986 PRELIMINARY 1/				June 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2249200	2067500	181700	8.1	2235000	2061700	173300	7.8
Bellingham MSA	55700	50800	4900	8.8	54700	49800	4900	9.0
Bremerton MSA	72800	68100	4700	6.5	71800	67400	4400	6.1
Olympia MSA	73100	67100	6000	8.2	71100	65400	5700	8.0
Seattle PMSA	987700	923600	64100	6.5	968200	906500	61700	6.4
King County 2/	771700	722700	49000	6.3	756400	709300	47100	6.2
Snohomish County 2/	216000	200900	15100	7.0	211700	197200	14500	6.8
Spokane MSA	163700	150900	12800	7.8	164500	152000	12500	7.6
Tacoma MSA	234500	214500	20000	8.5	230400	212100	18300	7.9
Tri-Cities MSA	71300	64500	6800	9.5	77200	70100	7100	9.2
Benton County 2/	53900	48700	5200	9.6	58200	52900	5300	9.1
Franklin County 2/	17400	15800	1600	9.2	19000	17200	1800	9.5
Vancouver PMSA	107200	97600	9600	9.0	107100	97600	9500	8.9
Yakima MSA	92700	80000	12700	13.7	103100	91900	11200	10.9
Adams	7510	6480	1030	13.7	7840	7050	790	10.1
Asotin	8750	8110	640	7.3	8600	7950	650	7.6
Clallam	23050	21040	2010	8.7	22060	20210	1850	8.4
Columbia	1760	1410	350	19.9	2400	2150	250	10.4
Cowlitz	35530	31590	3940	11.1	35670	31630	4040	11.3
Ferry	2890	2570	320	11.1	2920	2570	350	12.0
Garfield	1270	1200	70	5.5	1340	1250	90	6.7
Grant	27010	24080	2930	10.8	27500	25040	2460	8.9
Grays Harbor	27640	24440	3200	11.6	27100	24140	2960	10.9
Island	16640	15600	1040	6.3	17060	15980	1080	6.3
Jefferson	7470	6900	570	7.6	7230	6690	540	7.5
Kittitas	11270	10220	1050	9.3	12040	10910	1130	9.4
Klickitat	9340	8300	1040	11.1	9410	8300	1110	11.8
Lewis	25200	22440	2760	11.0	25000	22310	2690	10.8
Lincoln	4830	4590	240	5.0	5060	4810	250	4.9
Mason	13440	12210	1230	9.2	13010	11870	1140	8.8
Okanogan	15250	12790	2460	16.1	14440	12290	2150	14.9
Pacific	7900	7040	860	10.9	7130	6430	700	9.8
Pend Oreille	3660	3170	490	13.4	3740	3240	500	13.4
San Juan	5560	5310	250	4.5	5090	4860	230	4.5
Skagit	35740	32110	3630	10.2	31360	27870	3490	11.1
Skamania	2430	2040	390	16.0	2440	2100	340	13.9
Stevens	12220	10800	1420	11.6	12220	10810	1410	11.5
Wahkiakum	1310	1160	150	11.5	1350	1220	130	9.6
Walla Walla	24940	22870	2070	8.3	26260	24450	1810	6.9
Wenatchee Labor Area	41340	36210	5130	12.4	41480	36360	5120	12.3
Chelan County 2/	28130	24360	3770	13.4	28130	24460	3670	13.0
Douglas County 2/	13210	11850	1360	10.3	13350	11900	1450	10.9
Whitman	16520	15800	720	4.4	17230	16530	700	4.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	July 1986	Average			Average			Average		
	Production Workers/	Weekly Earnings			Weekly Hours			Hourly Earnings		
	Nonsupervisory Workers	Jul-86	Jun-86	Jul-85	Jul-86	Jun-86	Jul-85	Jul-86	Jun-86	Jul-85
TOTAL MANUFACTURING INDUSTRIES*	179,900	$450.20	$467.28	$441.50	37.8	39.6	37.8	$11.91	$11.80	$11.68
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products**	31,100	$336.91	$422.31	$410.11	30.6	36.5	35.6	$11.01	$11.57	$11.52
Primary Metal Industries	8,700	$536.79	$523.33	$517.80	42.3	41.9	39.8	$12.69	$12.49	$13.01
Fabricated Metal Products	7,400	$465.68	$440.45	$463.20	39.7	38.3	40.0	$11.73	$11.50	$11.58
Machinery	16,100	$346.38	$390.04	$369.51	34.5	39.8	37.4	$10.04	$9.80	$9.88
Food and Kindred Products	22,000	$360.51	$365.76	$347.76	35.8	38.1	36.8	$10.07	$9.60	$9.45
Chemical and Allied Products	5,200	$585.57	$570.85	$567.54	41.5	40.4	41.7	$14.11	$14.13	$13.61
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	64,600	$583.13	$586.47	$589.84	36.4	36.7	36.5	$16.02	$15.98	$16.16
Wholesale and Retail Trade (does not include eating and drinking establishments)	271,600	$319.58	$325.97	$321.20	34.4	34.9	34.6	$9.29	$9.34	$9.23

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

10/27/86 S8340-3

Washington LABOR MARKET

September 1986

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

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In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Volume 10, Number 9

Highlights

Summer Jobs Lower Unemployment

Total employment in Washington State rose 13,500 between July and August largely because of seasonal growth in food processing and the trade and service industries. Reflecting the increase in employment opportunities, total unemployment dropped from 169,300 and 7.6 percent of the labor force in July to 160,600 and 7.2 percent in August.

Nonagricultural wage and salary employment rose 12,000 in August, including 6,400 additional jobs in manufacturing. Food product firms led the expansion with a gain of 4,100 as processing began on a variety of summer fruits and vegetables; including peaches, beans, sweet corn and cauliflower. Lumber and wood products employment was 2,300 higher than in July because of the settlement of the labor dispute involving The Weyerhaeuser Company and its loggers and mill workers. Fire hazard conditions, however, led to restrictions which limited logging activity during August. Aerospace continued to expand with a gain of 700 from July.

	Aug. 1986* (Prel.)	July 1986* (Rev.)	Aug. 1985
Civilian Labor Force	2,220,700	2,215,900	2,118,800
Total Employment	2,060,100	2,046,600	1,968,000
Total Unemployment	160,600	169,300	150,800
State Unemployment Rate	7.2	7.6	7.1
National Civilian Unemployment Rate	6.7	7.0	6.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

In the nonmanufacturing industries, gains were partially offset by a loss of 5,900 in public education. The drop was seasonal but greater than usual between July and August. A strike delayed the opening of Seattle schools in 1985. As a result, they closed for the summer in July rather than in June this year.

On the positive side, employment in the service industries (hotels-motels, amusements, business and medical services) rose 3,100 while retail outlets added 2,300 workers. Business picked up in both industries as the tourist season reached its peak. County fairs and summer camps (YMCA, Girl Scouts, etc.) provided many temporary trade and service jobs in August, while back-to-school shopping boosted employment at department and apparel stores. Construction employment continued its seasonal expansion, up 2,900, with ideal weather for outdoor work.

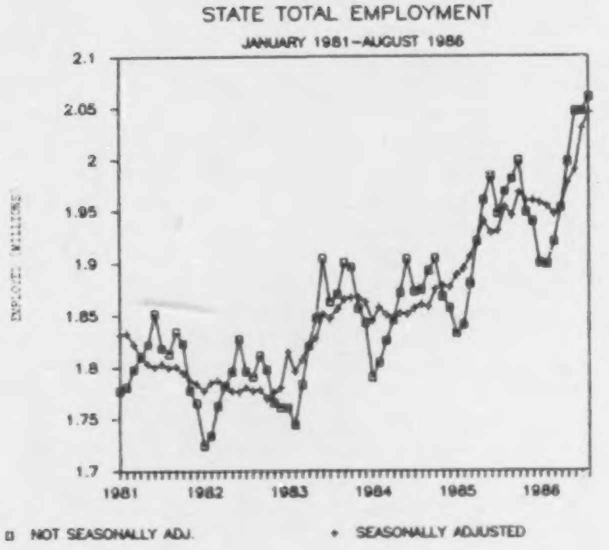
Employment Growth Strong Over The Year But Unemployment Also Up

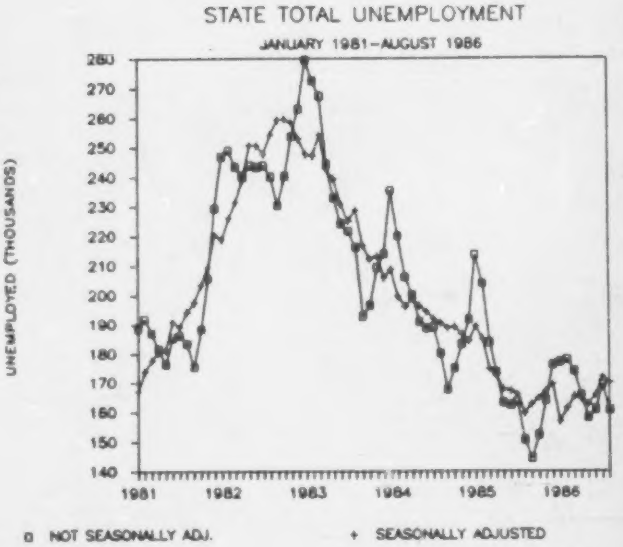
Nonfarm wage and salary employment advanced 52,100 between August 1985 and 1986. The increase of three percent exceeded that of the nation, 2 1/2 percent, and was large relative to annual job gains in recent years. Moreover, the 52,100 new nonfarm jobs which developed over the year substantially exceeded the increase in the total population of the state as well as the working-age population. The total population of the state rose 35,600 between April 1985 and April 1986, while the growth in the working age population was estimated at 24,100. Nonetheless, total unemployment rose nearly 10,000 between August 1985 and 1986.

The apparent reason for the jump in unemployment in the face of a strong rise in employment, is that most of the new jobs occurred in the trade and service industries and were largely filled by women and youth. On the other hand the growth in unemployment resulted mainly from jobs lost in manufacturing, mostly by adult men. Few of them went to work in the expanding trade and service industries. Jobs in these industries generally not only pay considerably less than most manufacturing jobs but often provide only part-time employment.

Unbalanced Growth

Together the trade and service industries accounted for nearly two-thirds of the year-to-year increase in payroll jobs. Manufacturing employment rose only 3,000 year to year, but apart from aerospace which added 9,100 jobs, employment in manufacturing was down 6,100. The gain in aerospace masked sizable losses in lumber-wood products (down 2,000), primary metals (down 1,200), machinery (down 900), and other transportation equipment--mainly shipbuilding--(down 1,500). Even in instruments, a major part of high-tech, employment dropped 500 over the year.





While manufacturing employment has shown little growth in the state, it has actually declined over the year nationally. Both nationally and in this state the weakness in manufacturing results from foreign competition. Until a solution to that problem is found, the economy rests on an unstable foundation.

MANUFACTURING

Canada Responds To Proposed Duty on Lumber

The Canadian government has offered to raise its stumpage rates by about ten percent provided the United States does not impose a duty on Canadian lumber. Stumpage rates are the price charged to log government-owned timber in Canada. Representatives of U.S. lumber firms claim that the Canadian government subsidizes its lumber industry by offering low stumpage rates. While timber from federal and state land in the U.S. is sold by competitive bid, stumpage prices are set by the government in Canada. Reports indicate the British Columbia government has charged lumber companies less than five percent of what firms pay for standing lumber in national forests in Washington State.

The Canadian government, however, has denied any timber subsidy, claiming difficult terrain and other factors make lumber production costs equal in both the U.S. and Canada. It attributes the increasing lumber sales by Canadian firms in U.S. markets to the depressed value of the Canadian dollar. The value of the Canadian dollar dropped from 96 cents to less than 73 cents in terms of the U.S. dollar over the last ten years. Nonetheless, representatives of U.S. lumber firms estimate low stumpage rates in effect give Canadian firms a 32 percent subsidy.

Whether true or not, domestic lumber production has declined substantially in recent years while imports from Canada have increased dramatically. Between 1977 and 1985, softwood lumber consumption in the U.S. rose slightly over eight percent but softwood imports from Canada jumped 40 percent. By contrast, softwood lumber production in the western United States fell ten percent since 1977. In western Washington alone softwood lumber production dropped 18 percent from 1977 with a 15 percent cutback coming since 1983 alone. The loss of lumber jobs has been even larger as domestic mills attempted to meet Canadian competition through automation. In Washington State, employment in the lumber industry dropped from 54,000 in 1977 to 37,900 in 1985, a loss of nearly 30 percent.

The International Trade Commission will decide by October 9 whether a subsidy exists and estimate its level. After another 75 days it must make a final injury determination. If such a determination is made, the Secretary of Commerce must impose a countervailing duty. If imposed, it would dramatically increase domestic lumber production and employment. It would not be without adverse consequences, however. Prices would increase substantially, which would adversely affect the homebuilding industry. In addition, Canada would likely retaliate by placing duties on U.S. products. When a tariff was imposed in Canadian cedar shakes and shingles, Canada responded by imposing duties on U.S. made books, computers, and semiconductors. Activities related to foreign trade create thousands of jobs in the Washington State economy, and Canada is the state's second largest trading partner in international trade.

More Wage Cuts

Wage reductions accepted by Weyerhaeuser logging and mill workers are spreading to other firms as expected. In September, Simpson Timber Company workers voted 444 to 379 to accept a new contract in which average wages and benefits were reduced $2.90 per hour.

Boeing Loses One

News related to the state's aerospace industry and The Boeing Company, which is virtually synonymous, has been almost entirely bullish this year with Boeing building a record backlog of commercial orders by winning serveral record-breaking contracts. We were reminded in early October, however, that Boeing operates in a competitive environment too.

Northwest Airlines announced that it had agreed to purchase up to 100 midsized jetliners from Airbus Industrie, the European aircraft consortium. The value of the transaction could reach $3.2 billion if all 100 planes are delivered. Airbus, however, took a considerable risk in obtaining the order that other aircraft manufacturers, including Boeing, were apparently unwilling to accept. Under the purchase agreement, Northwest Airlines can cancel it orders for all but ten of the aircraft. In that event, Airbus would not recover development and production costs on the remaining aircraft. Northwest's current fleet of jetliners are almost all Boeing planes.

Boeing To Take Over Grumman

A Wall Street investment firm has predicted that The Boeing Company may attempt to take over the Grumman Corporation. They noted that both Boeing and Grumman are competing for a $40 billion Air Force contract to build a new advanced tactical aircraft to replace existing F-15s. In their opinion neither firm could win the contract alone. Grumman is located on Long Island in New York State.

New Seafood Plant For Anacortes

A joint venture by Japanese and American firms will begin construction of a $10 million seafood processing plant in Anacortes this fall. The plant will be in production in the spring and will employ about 200 workers. Company officials said they choose the site because of its west coast location, relatively low power and water rates, a good labor force, the availability of government job training programs and tax breaks.

NONMANUFACTURING INDUSTRIES

Services Leads Growth

The services group led the expansion in the nonmanufacturing industries with a gain of 3,100 in August. Agricultural services, which includes yard care and landscaping services at private homes as well as commercial facilities, accounted for over one-third of the increase. Private organizations providing social services also added staff, especially those offering residential care to the elderly. Business service payrolls moved ahead with growth at personnel supply agencies which added workers to provide vacation fill-ins. Jobs in amusements increased because of county fairs, while payrolls at nonprofit organizations were up because of summer camps. Hotels and motels rounded out the gains in August with the tourist seasonal at its seasonal peak.

Consumers Still Spending

Retail outlets added 2,300 jobs in August with most of the gain at eating and drinking places. Seasonal growth in tourist business provided the major impetus but county fairs were an important source of temporary food service jobs.

Nationally, retail sales rose 0.8 percent in August following gains of 0.3 percent in July and 0.2 percent in June. Except for automobiles, retail sales were unchanged in August. Declining prices for gasoline, apparel and some other products, however, masked an increase in the volume of goods sold.

Department Store Workers Laid Off

New owners of Frederick & Nelson, a Seattle-based department store with 14 stores in Washington State and Oregon, laid off 100 middle managers at the end of September. Another 200 administrative staff were expected to be laid off. The company cited increased competition as the reason for the layoffs. Those terminated received severance payments, and some were offered lower paying positions.

Construction up 2,900

Employment in the building trades moved up 2,900 from July and in August was up 2,400 over the year. Major gains over the month and over the year occurred in homebuilding which has benefited from declining interest rates. Nationally, housing starts were estimated at a seasonally adjusted annual rate of 1,822,000 in August, up slightly from July and nearly five percent higher than in August 1985. Housing starts have held relatively steady over the past several months, but August marked the ninth consecutive month that the annualized estimate was over 1.8 million units. Starts totaled only 1.1 million units during the 1981-1982 recession and 1.7 million units in 1985.

In contrast to the modest increase in total starts over the month, up 0.4 percent, starts on single family units rose 3.0 percent. Starts on apartment units, however, fell 4.3 percent. Many analysts expect that apartment construction will remain weak for at least a year because of high vacancy rates and the elimination of tax-shelter incentives in the new tax bill. They expect housing starts to total 1.85 million units this year and between 1.7 and 1.8 million units in 1987.

Everett Navy Base

Uncertainty still surrounds the proposed Everett Navy Base. In early October a House-Senate conference committee agreed to provide funds for the base but not until environmental questions on dredging are solved and until the state appropriates money to cover a share of the cost to improve roads near the base. The committee, moreover, authorized less than half of the $95.4 million requested for base construction by the administration.

If built, the Everett Navy Base could create nearly 12,000 new jobs in Snohomish County by 1990, according to the federal Office of Economic Adjustment.

NATIONAL CONTEXT

Industrial Sector Remains Weak

The outlook for the economy over the next several months remains uncertain. The main area of concern is the industrial sector which remains weak because of foreign competition. The trade deficit, however, shrank sharply in August, but the significance of the decline was questioned by several businessmen and economists.

Leading Indicators Fall

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, fell in August for the third time in the last four months. The Index dropped 0.2 percent following a one percent rise in July and losses of 0.2 percent in June and 0.1 percent in May. Analysts said the trend in the Index suggest economic growth will remain slow in coming months. The drop in the Index in August, however, largely resulted from the lowering of government price supports for cotton. The price of cotton fell 59.2 percent as a result and caused a sharp drop in sensitive material prices which is one component of the Index. According to the Commerce Department, the Index would have increased 0.1 percent if the price of cotton hadn't changed.

Other leading indicators on the negative side in August were a drop in new business formations, a decline in building permits, an increase in weekly unemployment claims, a drop in orders for plant and equipment and faster business deliveries (which suggests a slowdown in new business). Positive indicators for the month included an increase in the money supply, growth in the workweek, an increase in stock prices, growth in credit outstanding, and an increase in factory orders for consumer goods.

Business Economists Predict Slow Growth For 1987

A concensus forecast by the National Association of Business Economists predicts slow growth for 1987, no recession or boom. The Gross National Product (GNP) will increase 2.9 percent from 1976 to 1977 according to their forecast. The business economist were more conservative than the Congressional Budget Office which projects a 3.5 percent gain in the GNP for 1987 or the Office of Management and Budget which forecasts a 4.2 percent increase.

The economists see the trade deficit as a continuing problem. Most expect the dollar's value to drop an additional five to ten percent in 1987 but more than half feel that a drop of 20 percent will be needed to eliminate the deficit.

Trade Deficit Lower In August

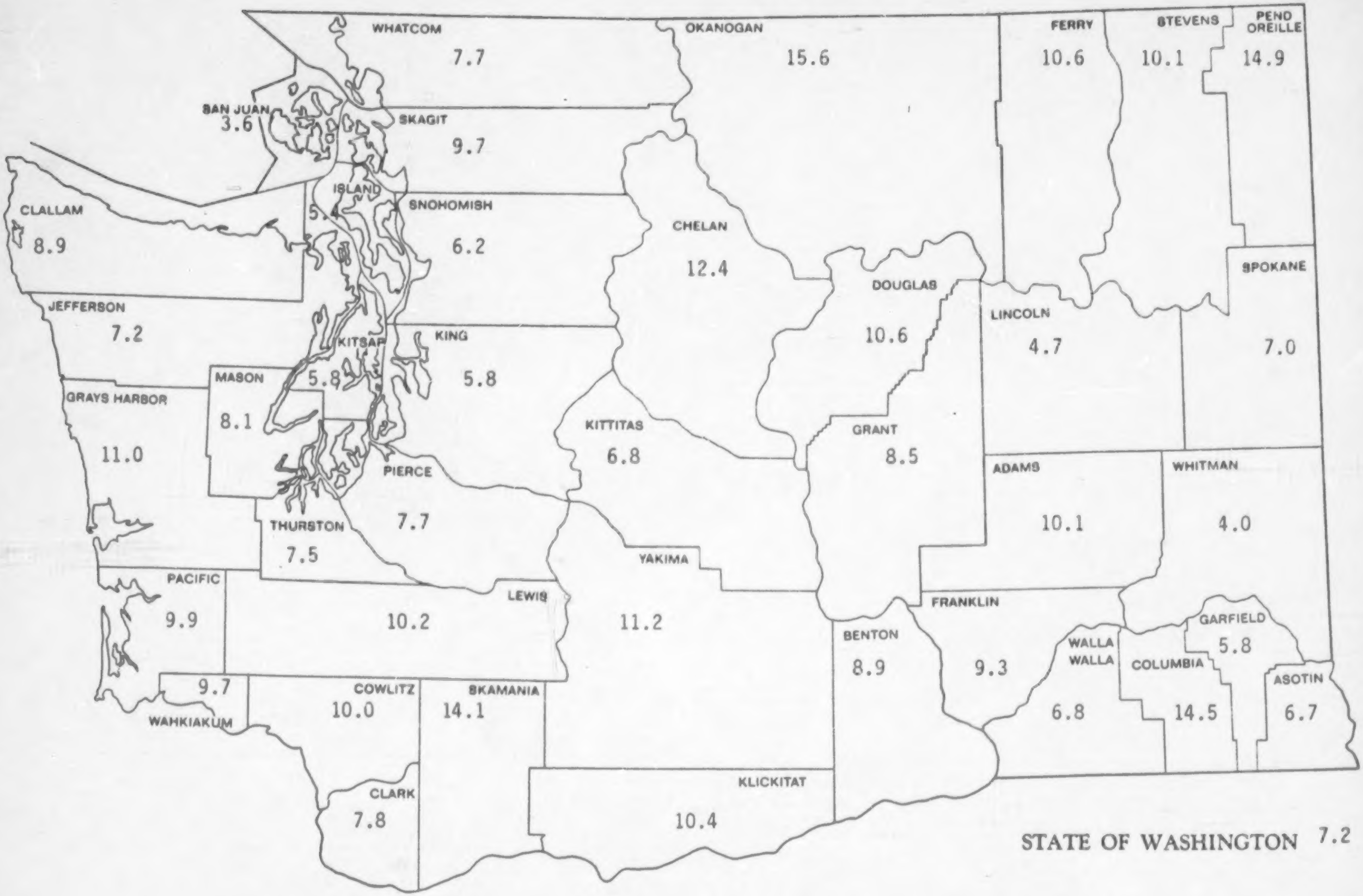
The trade deficit declined to $13.32 billion in August from $16.05 billion in July. While some analysts saw the improvement as the accummulated effect of the dollar's decline and suggested that it may mark the beginning of a turnaround, others viewed it as a statistical aberration. The Department of Commerce itself cautioned that the August figure was preliminary. But executives in some industries reported declining imports and rising exports and predicted continuing improvement.

An example of the change is the increasing inventory of unsold Japanese autos in the U.S. At the end of August they totaled 304,690 units, up 62 percent from one year earlier. Japanese auto makers have had to raise their prices from 11 to 15 percent over the year because of the rising value of the yen in terms of dollars.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	August 1986	July 1986	August 1985	August 1986	July 1986
U.S. City Average	328.6	328.0	323.5	+1.6	+1.6
Seattle-Everett	N/A	323.7	N/A	N/A	+0.5


WHATCOM 7.7
OKANOGAN 15.6
FERRY 10.6
STEVENS 10.1
PEND OREILLE 14.9
SAN JUAN 3.6
SKAGIT 9.7
ISLAND 5.4
SNOHOMISH 6.2
CLALLAM 8.9
CHELAN 12.4
DOUGLAS 10.6
LINCOLN 4.7
SPOKANE 7.0
JEFFERSON 7.2
KITSAP 5.8
KING 5.8
MASON 8.1
GRAYS HARBOR 11.0
KITTITAS 6.8
GRANT 8.5
ADAMS 10.1
WHITMAN 4.0
PIERCE 7.7
THURSTON 7.5
PACIFIC 9.9
LEWIS 10.2
YAKIMA 11.2
FRANKLIN 9.3
BENTON 8.9
WALLA WALLA 6.8
COLUMBIA 14.5
GARFIELD 5.8
ASOTIN 6.7
WAHKIAKUM 9.7
COWLITZ 10.0
SKAMANIA 14.1
CLARK 7.8
KLICKITAT 10.4

STATE OF WASHINGTON 7.2

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
	Aug. 1986 (Prel.)	Jul. 1986 (Rev.)	Aug. 1985 (Rev.)	Jul. 1985 (Rev.)	Jul. 86 to Aug. 86	Aug. 85 to Aug. 86
TOTAL NONAG. WAGE AND SALARY.	1,773.0	1,761.0	1,720.9	1,710.6	+12.0	+52.1
TOTAL MANUFACTURING.........	302.7	296.3	299.7	295.9	+6.4	+3.0
Durable Goods..............	209.0	206.6	205.9	204.7	+2.4	+3.1
Lumber & Wood Products....	37.3	35.0 3/	39.3	39.2	+2.3	-2.0
Furniture & Fixtures......	3.8	3.8	3.6	3.6	0.0	+0.2
Stone Clay & Glass Prod...	6.5	6.5	6.8	6.7	0.0	-0.3
Primary Metal Industries..	11.6 3/	11.6	12.8	12.8	+0.0	-1.2
Aluminum Prod.& Proc.....	7.6 3/	7.6	8.6	8.6	+0.0	-1.0
Fabricated Metal Prod.....	10.0	9.6	10.0	9.8	+0.4	0.0
Machinery.................	27.7	28.3	28.6	28.5	-0.6	-0.9
Machinery exc. Elect.....	15.5	16.0	16.3	16.2	-0.5	-0.8
Electrical & Electronic..	12.2	12.3	12.3	12.3	-0.1	-0.1
Transportation Equipment..	97.5	97.0	89.8	88.8	+0.5	+7.7
Aerospace................	86.0	85.3	76.9	76.0	+0.7	+9.1
Other Transp. Equip......	11.5	11.7	12.9	12.8	-0.2	-1.4
Instruments & Rel. Prod...	10.2	10.4	10.7	11.0	-0.2	-0.5
Misc. Manufacturing Ind...	4.4	4.4	4.3	4.3	0.0	+0.1
Nondurable Goods...........	93.7	89.7	93.8	91.2	+4.0	-0.1
Food & Kindred Products...	33.7	29.6	34.2 3/	32.1	+4.1	-0.5
Canned & Preserved Foods.	13.9	10.3	14.1	12.4	+3.6	-0.2
Apparel & Other Text.Prod.	6.7	6.5	6.3	6.1	+0.2	+0.4
Paper & Allied Products...	16.7	16.9	16.7	16.5 3/	-0.2	0.0
Printing & Publishing.....	17.6 3/	17.6	17.4	17.5	+0.0	+0.2
Chemicals & Allied Prod...	11.4	11.5	11.5	11.4	-0.1	-0.1
Other Nondurable Goods 2/.	7.6	7.6	7.7	7.6	0.0	-0.1
MINING & QUARRYING.........	2.9	2.9	3.0	2.9	0.0	-0.1
CONSTRUCTION................	90.1	87.2 3/	87.7	86.0	+2.9	+2.4
TRANS.& PUBLIC UTILITIES....	97.9	96.8	96.5	96.0	+1.1	+1.4
WHOLESALE & RETAIL TRADE....	445.6	442.4	427.9	425.7	+3.2	+17.7
Wholesale Trade............	109.5	108.6	107.4	107.3	+0.9	+2.1
Retail Trade...............	336.1	333.8	320.5	318.4	+2.3	+15.6
FIN. INS. & REAL ESTATE.....	105.6	105.4	100.7	100.4	+0.2	+4.9
SERVICES....................	394.4	391.3	378.2	376.7	+3.1	+16.2
Health Services	121.6	121.2	118.0	117.6	+0.4	+3.6
GOVERNMENT..................	333.8	338.7	327.2	327.0	-4.9	+6.6
Federal....................	70.1	70.3	71.6	71.6	-0.2	-1.5
State & Local..............	263.7	268.4	255.6	255.4	-4.7	+8.1
Education.................	120.0	125.9	116.8	118.0	-5.9	+3.2
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	0.5	3.2	0.2	0.4	-2.7	+0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 9/30/86
Benchmark: 1985

	AUGUST 1986 PRELIMINARY 1/				JULY 1986 REVISED 1/				AUGUST 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,220,700	2,060,100	160,600	7.2	2,215,900	2,046,600	169,300	7.6	2,118,800	1,968,000	150,800	7.1
Bellingham MSA	56,000	51,700	4,300	7.7	55,400	50,800	4,600	8.3	53,800	49,800	4,000	7.4
Bremerton MSA	72,700	68,500	4,200	5.8	72,500	68,100	4,400	6.1	68,300	64,600	3,700	5.4
Olympia MSA	71,000	65,700	5,300	7.5	71,700	66,000	5,700	7.9	66,100	61,500	4,600	7.0
Seattle PMSA	980,400	922,900	57,500	5.9	974,200	914,400	59,800	6.1	924,000	868,800	55,200	6.0
King County 2/	766,300	722,100	44,200	5.8	761,300	715,500	45,800	6.0	722,100	679,800	42,300	5.9
Snohomish County 2/	214,100	200,800	13,300	6.2	212,900	198,900	14,000	6.6	201,900	189,000	12,900	6.4
Spokane MSA	161,100	149,800	11,300	7.0	160,900	149,100	11,800	7.3	160,300	149,400	10,900	6.8
Tacoma PMSA	232,100	214,200	17,900	7.7	231,000	212,400	18,600	8.1	218,400	202,400	16,000	7.3
Tri-Cities MSA	70,100	63,800	6,300	9.0	70,400	64,000	6,400	9.1	68,400	62,700	5,700	8.3
Benton County 2/	52,900	48,200	4,700	8.9	53,100	48,300	4,800	9.0	51,700	47,300	4,400	8.5
Franklin County 2/	17,200	15,600	1,600	9.3	17,300	15,700	1,600	9.2	16,700	15,400	1,300	7.8
Vancouver PMSA	106,500	98,200	8,300	7.8	105,800	97,000	8,800	8.3	101,300	93,400	7,900	7.8
Yakima MSA	90,100	80,000	10,100	11.2	90,600	78,700	11,900	13.1	89,400	79,600	9,800	11.0
Adams	7,410	6,660	750	10.1	7,430	6,470	960	12.9	6,500	5,900	600	9.2
Asotin	8,790	8,200	590	6.7	8,690	8,090	600	6.9	7,660	7,100	560	7.3
Clallam	22,520	20,520	2,000	8.9	22,700	20,820	1,880	8.3	21,300	19,540	1,760	8.3
Columbia	1,660	1,420	240	14.5	1,710	1,390	320	18.7	1,610	1,440	170	10.6
Cowlitz	34,050	30,650	3,400	10.0	34,420	30,780	3,640	10.6	33,670	30,000	3,670	10.9
Ferry	2,830	2,530	300	10.6	2,860	2,550	310	10.8	2,540	2,290	250	9.8
Garfield	1,210	1,140	70	5.9	1,260	1,190	70	5.6	1,080	1,030	50	4.6
Grant	25,420	23,250	2,170	8.5	26,570	23,850	2,720	10.2	23,410	21,290	2,120	9.1
Grays Harbor	26,610	23,670	2,940	11.0	26,830	23,830	3,000	11.2	26,410	23,760	2,650	10.0
Island	16,980	16,060	920	5.4	16,610	15,640	970	5.8	16,670	15,700	970	5.8
Jefferson	7,450	6,910	540	7.2	7,370	6,840	530	7.2	6,940	6,480	460	6.6
Kittitas	11,510	10,730	780	6.8	11,350	10,350	1,000	8.8	10,940	10,180	760	6.9
Klickitat	9,060	8,120	940	10.4	9,210	8,230	980	10.6	8,200	7,410	790	9.6
Lewis	24,600	22,090	2,510	10.2	24,760	22,180	2,580	10.4	23,910	21,630	2,280	9.5
Lincoln	4,680	4,460	220	4.7	4,770	4,550	220	4.6	4,410	4,250	160	3.6
Mason	13,560	12,460	1,100	8.1	13,300	12,150	1,150	8.6	12,420	11,590	830	6.7
Okanogan	15,090	12,740	2,350	15.6	14,980	12,680	2,300	15.4	15,240	12,970	2,270	14.9
Pacific	7,380	6,650	730	9.9	7,380	6,600	780	10.6	7,200	6,330	870	12.1
Pend Oreille	3,550	3,020	530	14.9	3,610	3,140	470	13.0	3,690	3,170	520	14.1
San Juan	5,520	5,320	200	3.6	5,490	5,260	230	4.2	5,750	5,560	190	3.3
Skagit	33,490	30,230	3,260	9.7	34,890	31,540	3,350	9.6	32,830	29,670	3,160	9.6
Skamania	2,340	2,010	330	14.1	2,390	2,020	370	15.5	2,350	2,030	320	13.6
Stevens	11,930	10,730	1,200	10.1	12,050	10,710	1,340	11.1	11,480	10,300	1,180	10.3
Wahkiakum	1,240	1,120	120	9.7	1,290	1,150	140	10.9	1,280	1,150	130	10.2
Walla Walla	23,960	22,340	1,620	6.8	24,460	22,530	1,930	7.9	23,840	22,300	1,540	6.5
Wenatchee Labor Area	41,350	36,480	4,870	11.8	40,780	36,000	4,780	11.7	41,850	37,530	4,320	10.3
Chelan County 2/	28,010	24,540	3,470	12.4	27,720	24,220	3,500	12.6	28,310	25,240	3,070	10.8
Douglas County 2/	13,350	11,940	1,410	10.6	13,060	11,780	1,280	9.8	13,540	12,280	1,260	9.3
Whitman	16,350	15,700	650	4.0	16,340	15,660	680	4.2	15,820	15,380	440	2.8

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

9/30/86
Benchmark: 1985

(Not Seasonally Adjusted)

	AUGUST 1986 PRELIMINARY 1/				JULY 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,256,900	2,085,200	171,700	7.6	2,251,800	2,069,700	182,100	8.1
Bellingham MSA	57,000	52,400	4,600	8.1	56,300	51,300	5,000	8.9
Bremerton MSA	73,800	69,300	4,500	6.1	73,500	68,800	4,700	6.4
Olympia MSA	72,100	66,500	5,600	7.8	72,900	66,800	6,100	8.4
Seattle PMSA	995,700	934,200	61,500	6.2	989,100	924,700	64,400	6.5
King County 2/	778,200	731,000	47,200	6.1	772,900	723,600	49,300	6.4
Snohomish County 2/	217,400	203,200	14,200	6.5	216,300	201,200	15,100	7.0
Spokane MSA	163,700	151,600	12,100	7.4	163,500	150,800	12,700	7.8
Tacoma MSA	236,000	216,800	19,200	8.1	234,800	214,800	20,000	8.5
Tri-Cities MSA	71,400	64,600	6,800	9.5	71,600	64,700	6,900	9.6
Benton County 2/	53,800	48,800	5,000	9.3	54,000	48,800	5,200	9.6
Franklin County 2/	17,500	15,800	1,700	9.7	17,500	15,800	1,700	9.7
Vancouver PMSA	108,300	99,400	8,900	8.2	107,500	98,100	9,400	8.7
Yakima MSA	91,800	81,000	10,800	11.8	92,400	79,600	12,800	13.9
Adams	7,550	6,740	810	10.7	7,570	6,540	1,030	13.6
Asotin	8,930	8,300	630	7.1	8,820	8,180	640	7.3
Clallam	22,910	20,770	2,140	9.3	23,090	21,060	2,030	8.8
Columbia	1,690	1,430	260	15.4	1,760	1,410	350	19.9
Cowlitz	34,660	31,020	3,640	10.5	35,050	31,130	3,920	11.2
Ferry	2,880	2,560	320	11.1	2,910	2,580	330	11.3
Garfield	1,220	1,150	70	5.7	1,280	1,200	80	6.3
Grant	25,850	23,530	2,320	9.0	27,050	24,120	2,930	10.8
Grays Harbor	27,100	23,960	3,140	11.6	27,320	24,090	3,230	11.8
Island	17,240	16,260	980	5.7	16,850	15,810	1,040	6.2
Jefferson	7,580	7,000	580	7.7	7,490	6,920	570	7.6
Kittitas	11,700	10,860	840	7.2	11,540	10,470	1,070	9.3
Klickitat	9,220	8,220	1,000	10.8	9,380	8,320	1,060	11.3
Lewis	25,040	22,360	2,680	10.7	25,200	22,420	2,780	11.0
Lincoln	4,750	4,510	240	5.1	4,830	4,600	230	4.8
Mason	13,790	12,610	1,180	8.6	13,530	12,290	1,240	9.2
Okanogan	15,400	12.890	2,510	16.3	15,300	12,820	2,480	16.2
Pacific	7,510	6,730	780	10.4	7,500	6,670	830	11.1
Pend Oreille	3,630	3,060	570	15.7	3,680	3,180	500	13.6
San Juan	5,600	5,380	220	3.9	5,570	5,320	250	4.5
Skagit	34,080	30,600	3,480	10.2	35,490	31,890	3,600	10.1
Skamania	2,400	2,040	360	15.0	2,430	2,040	390	16.0
Stevens	12,150	10,860	1,290	10.6	12,270	10,830	1,440	11.7
Wahkiakum	1,260	1,130	130	10.3	1,310	1,160	150	11.5
Walla Walla	24,350	22,610	1,740	7.1	24,860	22,780	2,080	8.4
Wenatchee Labor Area	42,130	36,920	5,210	12.4	41,550	36,410	5,140	12.4
Chelan County 2/	28,540	24,840	3,700	13.0	28,260	24,490	3,770	13.3
Douglas County 2/	13,580	12,080	1,500	11.0	13,300	11,920	1,380	10.4
Whitman	16,590	15,890	700	4.2	16,570	15,840	730	4.4

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.